

Revenues and expenses of intercollegiate athletic programs

Analysis of financial trends and relationships
1978-1981

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Preface and Acknowledgments

The 1982 edition of "Revenues and Expenses of Intercollegiate Athletic Programs" is an analysis of revenues and expenses associated with intercollegiate athletic programs of NCAA member institutions during the four-year period ending with fiscal year 1980-81. The current report updates the financial trends previously published in 1978 and 1970. These three research studies provide 22 years of historical information concerning the revenue-expenditure structure, financial trends and profiles of intercollegiate athletic programs. Analyses in this current publication should be of interest to administrators, policy-making groups and management-level personnel who are concerned with rising program costs, resource allocation decisions and related matters of financing intercollegiate athletic programs.

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CHAPTER I

Introduction

In accomplishing their educational and social objectives, intercollegiate athletic programs require significant commitments of human, physical and monetary resources. The administration of athletic programs employs thousands of career individuals and involves significant annual expenditures and investments in physical facilities. Within the past several years, many athletic programs have expanded the scope of their operations by adding new sports, enlarging coaching staffs and extending the opportunity for participation to a larger number of student-athletes. Many institutions now offer 10 or more varsity sports. Any expansion of intercollegiate athletics must be financed by funds generated by the athletic program or from other sources. The economic implications of managing an intercollegiate athletic program are of continuing significance to university administrators.

Objectives of the Study

When intercollegiate athletic programs are viewed as organizations requiring substantial financial commitment, their revenues, expenses and other financial relationships provide useful information for program administrators. For comparative evaluation purposes, these administrators can effectively use information concerning the revenue and expense trends of similar programs. Accordingly, there is a continuing need to document the revenue-expense trends and aggregate financial impact of intercollegiate athletic programs.

The principal purpose of this study is to analyze the revenues and expenses associated with intercollegiate athletic programs of NCAA member institutions during the four-year period from fiscal year 1977-78 through fiscal year 1980-81. Two similar research studies published by the NCAA in 1970 and 1978 provided comprehensive reports on financial trends during the 18-year period from 1959-60 through 1976-77. This 1982 edition of "Revenues and Expenses of Intercollegiate Athletic Programs" comparatively updates financial trend information regarding total program revenues and expenses, revenues and expenses directly related to major sports and certain nonfinancial data such as number of

sports offered and number of participating athletes. Specific objectives of this study are to:

1. Provide a statistical description of the significant revenue and expense categories that are typical of athletic programs.
2. Measure the trends and changes in principal revenues and expenses during the four-year period from 1977-78 through 1980-81.
3. Identify factors, conditions or developments that tend to explain the reasons underlying revenue-expense trends.
4. Extend, on a selective basis, certain financial information so that general trends from 1969 to 1981 are readily available to users of this report.
5. Determine any significant changes that have occurred in the general profile of athletic programs regarding sources of revenue and percentage composition of total operating expenses.

Research Methods

To obtain the necessary information for this study, a questionnaire was distributed to all 753 member institutions of the NCAA on September 1, 1981. The NCAA membership was classified into six homogeneous groups based upon the criteria of dominance of particular sports within the program and relative strength of athletic programs as determined by the nature of scheduled opposition. These institutional classifications were established by the NCAA, and the resulting groups include colleges and universities that are relatively comparable in athletic program activities and underlying revenue-expense structure.

The classifications applied to member institutions on September 1, 1981, and related criteria follow:

Class A. This group includes 187 institutions classified Division I in football in accordance with the provisions of NCAA Bylaws 9 and 10 (1982-83 NCAA Manual). Such institutions must play more than 50 percent of their regular-season football games against other mem-

bers of Division I in that sport. The NCAA's division membership structure also dictates that all sports other than football at these institutions also must be classified Division I. Division I-A and I-AA institutions both are included in this group.

Class B. This classification includes 121 institutions classified Division II in football. The distinction between Class A and B lies in the relative strength of scheduled football opponents. Of these 121 institutions, seven are Division I members with their football programs classified Division II; the other 114 institutions also are classified Division II in all other sports.

Class C. The third group, consisting of 187 institutions, is termed Division III in football. Class B and C institutions differ in football primarily on the basis of the extent and nature of financial aid awarded and the relative degree of football competitiveness with similar colleges. Of these 187 institutions, 14 are Division I members with their football programs classified in Division III, six are Division II members with football classified in Division III and the remainder are classified Division III in other sports, as well as football.

Class D. This category includes 68 institutions that do not sponsor intercollegiate football and are classified Division I in basketball and their other sports.

Class E. This class consists of 72 institutions that do not sponsor intercollegiate football and are classified Division II in basketball and their other sports.

Class F. The final grouping includes 118 institutions that do not sponsor intercollegiate foot-

ball and are classified Division III in basketball and other sports.

Class E and F institutions, as currently defined, were presented as a single category in the 1970 report. Accordingly, this study does not present any financial information for Class E and F institutions for the periods preceding 1970.

A total of 310 institutions, representing 41 percent of the NCAA institutional membership, returned completed questionnaires. Table 1.1 summarizes the respondents by assigned category A through F and other principal characteristics. This summary shows that the 310 respondents are distributed approximately in accordance with the assigned class structure of all 753 NCAA members. For example, Class C respondents account for 25 percent of total membership and represent 26 percent of replies received. A proportionate representation by each respondent category is desirable but not essential, since most of the information in this study is summarized for each specific class of institution.

The primary limitation of this study concerns the time periods for which revenue and expense information was obtained. Data regarding total revenues and total operating expenses were obtained for fiscal years ending in 1978, 1979, 1980 and 1981. All other financial data and operating information were obtained only for the fiscal year ending in 1981. The intention of the NCAA is to update this study every four years; thus, most trend information is presented for comparative purposes in four-year intervals, such as 1973, 1977 and 1981.

Many institutions have dissimilar fiscal years, but the data included in this study cover 12-month intervals for all respondents. The general designation of fiscal year 1980-81, therefore, refers to a 12-month accounting period that began in 1980 and ended in 1981. This 12-month period is designated in this study as fiscal year 1981.

TABLE 1.1
SUMMARY OF PARTICIPATING INSTITUTIONS
December 30, 1981

Respondent Category	NCAA Membership on September 1, 1981		Number of Respondents	Percentage of 310	Number of Responding Institutions			
	Number	Percentage			Government Supported	Privately Financed	Conference Members	Independents
Class A Institutions	187	25%	97	31%	70	27	88	9
Class B Institutions	121	16	43	14	32	11	29	14
Class C Institutions	187	25	80	26	10	70	59	21
Class D Institutions	68	9	21	7	8	13	12	9
Class E Institutions	72	9	31	10	15	16	9	22
Class F Institutions	118	16	38	12	18	20	18	20
Response Rate	753	100%	310	100%	153	157	215	95
310 of 753 = 41%			Percentage of 310 Respondents		49%	51%	69%	31%

Comparative Profile of Athletic Programs

As a general indication of the comparative profile of each respondent category, Table 1.2 presents financial and operational highlights for selected fiscal years. Average total revenues and expenses increased materially during the four-year period 1978-1981, and most respondent categories also show an increase in number of participating athletes between 1977 and 1981. The percentage increase in revenues and expenses measures the relative change in these amounts during the four-year period. Except for Class A, average expenses in 1981 exceeded average revenues for every class.

The comparative financial highlights shown in Table 1.2 support the opinion expressed by 72 percent of all respondents that the problem of rising program costs is serious and that methods to control major expenses and to eliminate unnecessary costs need to be developed. In 1977, 65 percent of all respondents expressed the same opinion, compared with 56 percent expressing this opinion in 1969. Since 1969, many cost-control measures have been adopted by the NCAA membership; others have been considered or used temporarily. These policy-related cost-control measures are considered throughout the study when specific financial trends are evaluated.

In 1977, women's intercollegiate sports were becoming a significant factor in many athletic programs and were analyzed separately in the study published in 1978. In 1981, many Class A respondents reported women's programs with annual operating expenses in excess of \$400,000, sponsorship

of at least 10 sports and more than 100 participating athletes. The financial profiles in Table 1.2 and throughout this study relate *only* to men's intercollegiate sports unless specifically indicated otherwise. Information concerning women's athletic programs is reported in Chapter IV. Respondents were directed to report men's athletic program information separately so that the information in this study would be comparable with previously reported trends.

Organization of the Report

The questionnaire used in this survey contained four parts:

- Part I — General Information
- Part II — Organization and Activity Data
- Part III — Revenue and Expense Information
- Part VI — Information Concerning Women's Intercollegiate Sports

Part I of the questionnaire included 10 questions about program objectives, financial policies and specific factors affecting financial trends. Replies to these questions are reported throughout the study. The questionnaire and tabulated replies are presented for reference purposes in Appendices A and B, respectively. Information developed from replies to Part II, Part III and Part IV is summarized in appropriate tables.

Revenue trends and related information are summarized in Chapter II, and Chapter III presents expense trends and related analysis. Revenue and expense relationships are analyzed in Chapter IV. It should be emphasized that average measures are used extensively throughout the study and that

TABLE 1.2
FINANCIAL AND OPERATIONAL HIGHLIGHTS
Fiscal Years 1977, 1978 and 1981
(Dollar Amounts in Thousands)

Financial and Operational Measures*	Class A	Class B	Class C	Class D	Class E	Class F
Average Total Revenues						
Fiscal year 1981 (1980-81)	\$3,391	\$248	\$ 56	\$476	\$102	\$ 30
Fiscal year 1978 (1977-78)	2,368	164	40	277	74	24
Percentage increase	43%	51%	40%	72%	38%	25%
Average Total Expenses						
Fiscal year 1981	\$3,243	\$392	\$249	\$631	\$232	\$144
Fiscal year 1978	2,238	287	188	410	163	106
Percentage increase	45%	37%	32%	54%	42%	36%
Average Number of Sports						
Fiscal year 1981	12	10	11	9	8	9
Fiscal year 1977	10	10	11	8	8	8
Average Number of Athletes						
Fiscal year 1981	343	305	294	150	147	169
Fiscal year 1977	337	303	308	145	135	159

*Unless indicated otherwise, all information reported in this study involves only men's athletic programs

individual institutions may have experienced revenue and expense patterns different from those shown by average measures for a group of respondents. Where appropriate, averages are supplemented with detailed frequency distributions that summarize data reported by all respondents. To the extent that

conclusions are based upon average measures, these conclusions are generalizations and represent an overall pattern that specific institutions can employ for comparative self-assessment of their own financial trends.

CHAPTER II

Analysis of Revenues

Revenue is a financial measure of gross income earned and certain other funds collected by an organization. For profit-oriented business enterprises, revenue is gross income earned through the process of providing goods and services in exchange for a specified price or fee. For nonprofit organizations, revenue includes earned gross income and all other additions to resources that do not increase liabilities, do not represent the recovery of expenditures and do not represent contributions to capital. This latter concept has been used to define revenues of intercollegiate programs.

Revenues of an athletic program include ticket sales for athletic events, student activity fees, broadcasting fees from television and radio, income from investments and other receipts that are intended to support operations of the program, such as gifts and government appropriations. Revenues include guarantees and options received by an institution from opposing teams under game contracts. Amounts paid to visiting teams under game contracts should be included in operating expenses. Separate sections in this chapter analyze total revenues of athletic programs, revenues classified by source, revenues

TABLE 2.1
MEDIAN AND MEAN TOTAL REVENUES
Fiscal Years 1974-1981
(Dollar Amounts in Thousands)

Revenue Measures by Respondent Category	1974	1975	1976	1977	1978	1979	1980	1981
Class A Institutions								
Median total revenues	\$1,509	\$1,699	\$1,938	\$2,018	\$1,794	\$1,945	\$2,103	\$2,509
Mean total revenues	1,708	1,849	2,085	2,183	2,368	2,581	2,959	3,391
Annual percentage change (a)	9%	8%	13%	5%	8%	9%	15%	15%
Class B Institutions								
Median total revenues	\$ 147	\$ 163	\$ 184	\$ 200	\$ 110	\$ 109	\$ 118	\$ 119
Mean total revenues	229	236	276	311	164	182	212	248
Annual percentage change	2%	3%	17%	13%	-47%	11%	17%	17%
Class C Institutions								
Median total revenues	\$ 13	\$ 12	\$ 13	\$ 14	\$ 10	\$ 11	\$ 13	\$ 13
Mean total revenues	47	50	53	55	40	45	51	56
Annual percentage change	0%	8%	5%	3%	-27%	12%	14%	10%
Class D Institutions								
Median total revenues	\$ 100	\$ 97	\$ 96	\$ 106	\$ 193	\$ 301	\$ 351	\$ 357
Mean total revenues	135	133	163	196	277	343	384	476
Annual percentage change	12%	-1%	23%	20%	41%	24%	12%	24%
Class E Institutions								
Median total revenues	\$ 33	\$ 36	\$ 39	\$ 33	\$ 36	\$ 39	\$ 51	\$ 52
Mean total revenues	64	87	63	69	74	77	86	102
Annual percentage change	-11%	36%	-27%	8%	9%	4%	12%	18%
Class F Institutions								
Median total revenues	\$ 15	\$ 12	\$ 14	\$ 17	\$ 12	\$ 10	\$ 6	\$ 10
Mean total revenues	38	37	37	39	24	26	29	30
Annual percentage change	12%	-2%	0%	6%	-38%	8%	12%	5%

(a) Annual percentage change based on average total revenues

classified by sport, and revenues derived from the major sports of football and basketball.

Analysis of Total Revenues

Total program revenues for the four-year period 1978-1981 and other selected years are analyzed in the following exhibits:

- Table 2.1—Median and Mean Total Revenues
- Table 2.2—Frequency Distributions for Total Revenues
- Table 2.3—Summary Analysis of Total Revenues
- Table 2.4—Revenue Trends and General Price-Level Changes
- Table 2.5—Estimated Aggregate Revenues
- Table 2.6—Forecasts of Average Total Revenues

Total Revenue Trends

Mean and median total revenues are presented by respondent category in Table 2.1 for the eight-year period from 1974 to 1981. Average total revenues exceed the median measure for each respondent

group, because the averages are influenced by comparatively large revenue amounts reported by some institutions in each category. Both mean and median total revenues indicate a pattern of annual revenue growth for all respondents. Mean and median total revenues for Classes B, C and F indicate a significant percentage decrease between 1977 and 1978. In part, this decrease is explained by past changes in the division or class structure of NCAA member institutions. In 1978, approximately 30 Class B institutions moved into Division I-AA, which is included in Class A as defined by this study. This shift and similar changes are believed to explain the lack of comparability between revenue measures in 1977 and 1978 for Class B, C and F institutions. In updating this study for the period 1978-1981, it was not practical to revise previously reported information to correspond with the 1981 division classification of respondents. The analysis of revenue trends concentrates on the 1978-1981 period, which involves comparable information for all respondent groups.

Frequency distributions for total revenues in 1981 are shown by respondent category in Table 2.2.

TABLE 2.2
FREQUENCY DISTRIBUTIONS FOR TOTAL REVENUES

Fiscal Year 1981

(Dollar Amounts in Thousands)

Class A Group			Class B Group			Class C Group		
More Than	Less Than	Number	More Than	Less Than	Number	More Than	Less Than	Number
\$ 0	\$ 600	11	\$ 0	\$100	17	\$ 0	\$ 50	47
600	1,200	15	100	200	4	50	100	6(M)
1,200	1,800	11	200	300	6(M)	100	150	3
1,800	2,400	10	300	400	1	150	200	3
2,400	3,000	6	400	500	2	200	250	3
3,000	3,600	5(M)	500	600	4	over	250	5
3,600	4,200	8	600	700	3			
4,200	4,800	3	700	800	1			
4,800	5,400	7	over	800	1			
over	5,400	21						
		97			39			64
Class D Group			Class E Group			Class F Group		
More Than	Less Than	Number	More Than	Less Than	Number	More Than	Less Than	Number
\$ 0	\$ 100	4	\$ 0	\$ 50	13	\$ 0	\$ 50	20(M)
100	200	3	50	100	4	50	100	3
200	300	3	100	150	1(M)	100	150	1
300	400	0	150	200	4	over	150	1
400	500	1(M)	200	250	1			
500	600	1	over	250	3			
600	700	1						
700	800	3						
over	800	4						
		20			26			25

(M) Indicates revenue interval corresponding with average total revenues for 1981

These distributions indicate the dispersion in total revenue data reported by each class and are useful interpretive supplements to the mean and median amounts shown in Table 2.1. The frequency distributions reveal a significant range in total revenues reported by each class for 1981. For example, 11 Class A institutions reported total revenues of \$600,000 or less; and 21 respondents in this group had total revenues exceeding \$5,400,000. In contrast, 47 Class C institutions, representing 73 percent of these respondents, had total revenues of \$50,000 or less. The average total revenue of \$56,000 for Class C is a representative measure applicable to most of these respondents. In general, the frequency distributions can be used by a specific institution to evaluate its total revenues in relation to other institutions in the same category.

The highest and lowest total revenues reported in 1981 are shown in Table 2.3 in comparison with average total revenues for each class. This table also includes a compound annual growth rate applicable to average total revenues for each class during the period 1978-1981. A compound annual growth rate is the annual rate of increase that explains the change in average total revenues between 1978 and 1981. For example, Class A average revenues increased from \$2,368,000 in 1978 to \$3,391,000 in 1981. The equal annual percentage growth rate that explains this increase is 13 percent.¹ Since the actual percentage change in average revenues each year tends to vary, as shown in Table 2.1, the compound annual growth rate is a convenient measure that summarizes the general revenue growth shown by each respondent category.

Evaluation of Revenue Growth

Revenue growth during the period 1978-1981 can be evaluated by comparison with general inflation-

ary trends. Inflation or general price-level changes affect the comparability of revenue trends over a period of years. Almost all financial information for athletic programs involves the inflow of revenues and spending of funds on a current annual basis. Historical trends of revenues and expenses therefore are affected by changes in the general price level of the economy. Over a series of years, price-level changes would cause increased annual expenses for an athletic program that perhaps experienced no real increase in the quantity of goods and services used. Since most athletic programs generate revenues to recover operating expenses, revenue trends likewise are affected by inflationary trends that reduce the purchasing power of money.

As an indicator of the general price level in the United States, the most comprehensive index is the Gross National Product (GNP) price deflator compiled by the United States Department of Commerce. During the period from 1978 through 1981, based on fiscal years approximating those applicable to colleges and universities, the average GNP price index increased 27 percent. The cumulative change during this period is equivalent to a compound annual increase of eight percent in the general price level. Accordingly, an athletic program with a compound annual growth rate in revenues of less than eight percent failed to maintain its relative ability to acquire goods and services with those funds.

Revenue trends and general price-level changes for the period 1978-1981 are compared in Table 2.4. The average GNP price index was restated for comparative purposes such that the average index for fiscal year 1978 is 100 percent. For each respondent category, average total revenues are shown as a percentage of 1978 average revenues, based both on actual historical dollar amounts and on revenues restated to the average price level of fiscal year 1978.

TABLE 2.3
SUMMARY ANALYSIS OF TOTAL REVENUES
Fiscal Year 1981
(Dollar Amounts in Thousands)

Respondent Category	Total Revenues For 1981			1978-1981 Compound Growth Rate*
	High	Average	Low	
Class A Institutions	\$11,678	\$3,391	\$78	13%
Class B Institutions	1,158	248	6	15%
Class C Institutions	655	56	1	12%
Class D Institutions	1,202	476	37	20%
Class E Institutions	476	102	2	12%
Class F Institutions	207	30	1	8%

*The annual growth rate that explains the change in average revenues between 1978 and 1981

¹Thus, $\$3,391,000 = \$2,368,000 (1 + 13\%)^3$ as a basic application of present value concepts. Compound growth rates were rounded to the nearest whole percent.

The *adjusted base-year ratio* in Table 2.4 indicates the annual change in average total revenues based on a common-dollar measure using the average price level applicable to fiscal year 1978. Restatement of average revenues for each year eliminates the general inflationary effect that may have been partly responsible for revenue growth measured in actual or historical dollars. The adjusted base-year ratio is an overall measure of real revenue growth, because it is based on a constant unit of measurement (the 1978 average price level). It should be noted that base-year ratios in Table 2.4 would be the same even if revenues were restated to the price level of another time period, such as fiscal year 1981.

Base-year ratios in Table 2.4 should be interpreted as follows. For Class A, 1981 average revenues are 143 percent of the 1978 average, which indicates a 43 percent increase expressed in historical dollars. When the effect of inflationary trends is eliminated, Class A revenues in 1981 are 113 percent of the 1978 average revenues. In general terms, this 13 percent increase in the adjusted base-year ratio represents real revenue growth caused by increased attendance at athletic events or revenue increases that exceeded the change in the general price level. During the period 1978-1981, a 27 percent increase in actual average revenues was required to maintain revenue growth at a rate equal to general price-level changes

measured by the GNP price index. For 1981, the actual base-year ratio of each class is greater than 127 percent, which indicates that revenue growth for all respondent categories exceeded changes in the general price level. An adjusted base-year ratio below 100 percent would indicate a decrease in total revenues when adjusted for inflation. After adjustment for inflation, all respondent categories show real revenue growth during the 1978-1981 period, ranging from two percent for Class F to 36 percent for Class D.

Revenue Estimates and Forecasts

To indicate the general economic significance of athletic programs, aggregate total revenues of all NCAA member institutions in fiscal year 1981 are estimated in Table 2.5. Assuming that the respondents from each class are a representative sample, a point estimate of aggregate total revenues collected by all NCAA members during fiscal year 1981 is approximately \$718 million. This amount is 92 percent more than the comparable estimate of \$373 million for fiscal year 1977. As indicated in Chapter IV, most institutions reported total revenues that were less than total operating expenses. Aggregate total expenses for 1981 were estimated by similar procedures to be approximately \$770 million for all NCAA members.

TABLE 2.4
REVENUE TRENDS AND GENERAL PRICE-LEVEL CHANGES
Fiscal Years 1978-1981

Average Total Revenues as a Percentage of 1978 Mean Revenues	1978	1979	1980	1981
Average Price-Level Index (a)	100%	108%	116%	127%
Class A Institutions				
Actual base-year ratio (b)	100%	109%	125%	143%
Adjusted base-year ratio (c)	100	101	107	113
Class B Institutions				
Actual base-year ratio	100	111	129	151
Adjusted base-year ratio	100	102	111	119
Class C Institutions				
Actual base-year ratio	100	110	125	138
Adjusted base-year ratio	100	102	107	109
Class D Institutions				
Actual base-year ratio	100	124	139	172
Adjusted base-year ratio	100	114	119	136
Class E Institutions				
Actual base-year ratio	100	105	118	138
Adjusted base-year ratio	100	97	101	109
Class F Institutions				
Actual base-year ratio	100	109	122	130
Adjusted base-year ratio	100	101	105	102

(a) Average Gross National Product price deflator for fiscal years ending June 30 restated such that 1978 = 100 percent.

(b) Average total revenues as a percentage of 1978 average revenues with no adjustment for inflation.

(c) Revised base-year ratio using average total revenues stated in terms of the average price level during 1978.

TABLE 2.5
ESTIMATED AGGREGATE REVENUES
Fiscal Year 1981
(Dollar Amounts in Thousands)

Respondent Category	Number of Members	Average Total Revenues 1981	Estimated Aggregate Revenues
Class A Institutions	187	\$3,391	\$634,117*
Class B Institutions	121	248	30,008
Class C Institutions	187	56	10,472
Class D institutions	68	476	32,368
Class E Institutions	72	102	7,344
Class F Institutions	118	30	3,540
	753		\$717,849

*(187 x \$3,391 = \$634,117)

Based upon an analysis of past revenue trends, forecasts of average total revenues were developed for each respondent category. Forecasts of average total revenues for 1982 through 1985 are presented in Table 2.6. These forecasts are derived from a time-series application of simple linear regression analysis. The forecasts for each institutional category are based on revenue trends during the past five years and generally involve coefficients of determination (r^2) ranging from .96 to .98. For fiscal year 1985, average revenue forecasts are: \$4,499,000 for Class A; \$355,000 for Class B; \$75,000 for Class C; \$720,000 for Class D; \$127,000 for Class E; \$40,000 for Class F. The forecasts incorporate the assumption that operational and institutional factors influencing past trends will continue to affect future revenues. The accuracy of such time-series forecasts cannot be assured, but the estimates provide useful information concerning the potential revenues to be expected by respondent categories in future years.

Analysis of Revenue Sources

Intercollegiate athletic programs typically derive a significant portion of earned revenues from gate

receipts and similar proceeds associated with spectator sports. Other earned revenue sources include student activity fees that grant admission to athletic events and contract settlements in the form of guarantees and options. As summarized in Tables 2.7 and 2.8, there are seven specific revenue sources that explain a substantial percentage of total revenues:

1. Total ticket sales to public, students and university staff, not reduced by guarantees subsequently paid.
2. Student activity fees covering admissions, not included in (1).
3. Student activity fees or assessments not related to athletic admissions.
4. Guarantees and options received.
5. Contributions from alumni and others.
6. Distributions from conference or other associations for bowl games, tournaments or television.
7. Direct state or other government support.

Principal Revenue Sources

The seven revenue sources described above and the residual category of all other revenues are analyzed in Tables 2.7 and 2.8. For fiscal year 1981, the seven principal revenue sources accounted for 88 percent of Class A revenues, 96 percent for Class B, 89 percent for Class C, 89 percent for Class D, 97 percent for Class E and 92 percent for Class F. In Table 2.7, differences among respondent categories are apparent as to sources of revenue that provide the major portion of financial support for athletic programs. Class A institutions rely more heavily upon ticket sales and game contract settlements, while the other categories rely more upon student activity fees and assessments.

For 1981, Table 2.7 shows the average dollar amount of each revenue source and its percentage relationship to total revenues. The average amounts are based on the number of institutions providing data for each revenue source. The percentage measures are based on aggregate revenue data provided

TABLE 2.6
FORECASTS OF AVERAGE TOTAL REVENUES
Fiscal Years 1982-1985
(Dollar Amounts in Thousands)

Respondent Category	1981 Average Revenues	Forecast of Average Total Revenue			
		1982	1983	1984	1985
Class A Institutions	\$3,391	\$3,598	\$3,898	\$4,199	\$4,499
Class B Institutions	248	271	299	327	355
Class C Institutions	56	60	65	70	75
Class D Institutions	476	529	593	657	720
Class E Institutions	102	104	112	120	127
Class F Institutions	30	32	35	37	40

by all respondents. Thus, for Class A, average guarantees and options were \$363,000; and average student assessments were \$301,000. Guarantees and options in total represented 10 percent of total revenues from all sources, while student assessments were only 2 percent of total revenues of all Class A respondents. The average amount of a specific revenue source may not coincide in significance with its percentage of total revenues. Percentage of total revenues is affected by the number of institutions reporting a particular revenue source and by the dollar amounts reported.

The percentage composition of total revenues classified by source is summarized in Table 2.8 for fiscal years 1973, 1977 and 1981. For Class A respondents, principal revenue sources were fairly constant as a percentage of total revenues. In general, four of the revenue sources are specifically related to or derived from athletic events: ticket sales, activity fees, guarantees and options, and distributions from conferences and other associations. On a combined basis, these revenue sources have decreased as a percentage of total revenues since 1973, as shown by the following summary derived from Table 2.8.

Combined Percentage of Total Revenues for	Revenues Related to Athletic Events (Earned Sources)		
	1973	1977	1981
Class A	75%	76%	69%
Class B	54	42	50
Class C	52	37	54
Class D	70	60	60
Class E	80	57	27
Class F	78	68	18

As the four revenue sources related to athletic events decline as a percentage of total revenues, the remaining revenue sources must increase on a percentage basis. The remaining revenue sources are unearned or passive in nature: student assessments, contributions and government support. Thus, the general trend between 1973 and 1981 was for unearned revenue sources to increase in relative significance to total revenues. This trend is shown by the following summary developed from Table 2.8.

Combined Percentage of Total Revenues for	Unearned or Passive Revenues (3 Sources)		
	1973	1977	1981
Class A	12%	14%	17%
Class B	39	40	46
Class C	36	47	35
Class D	19	16	29
Class E	18	35	71
Class F	21	30	74

TABLE 2.7
ANALYSIS OF PRINCIPAL REVENUE SOURCES
Fiscal Year 1981
(Dollar Amounts in Thousands)

Average Amount in 1981 and Percentage of Total Revenues in 1981	Class A	Class B	Class C	Class D	Class E	Class F
Total ticket sales not reduced by contract settlements	\$ 1,489	\$ 64	\$ 20	\$ 177	\$ 18	\$ 3
Percentage of total	43%	23%	28%	34%	14%	2%
Student activity fees for athletic admissions	\$ 393	\$ 176	\$ 103	\$ 164	\$ 29	\$ 59
Percentage of total	6%	20%	12%	17%	9%	13%
Student assessments unrelated to admissions	\$ 301	\$ 172	\$ 104	\$ 238	\$ 146	\$ 98
Percentage of total	2%	17%	26%	10%	32%	56%
Guarantees and options received	\$ 363	\$ 20	\$ 11	\$ 25	\$ 6	\$ 2
Percentage of total	10%	5%	5%	4%	3%	1%
Contributions from alumni and others	\$ 437	\$ 31	\$ 16	\$ 96	\$ 27	\$ 9
Percentage of total	11%	4%	7%	14%	12%	4%
Distributions from conferences and other associations	\$ 368	\$ 16	\$ 25	\$ 52	\$ 4	\$ 10
Percentage of total	10%	2%	9%	5%	1%	2%
Direct state or other governmental support	\$ 514	\$ 176	\$ 48	\$ 262	\$ 159	\$ 81
Percentage of total	6%	25%	2%	5%	26%	14%
All other revenues	\$ 517	\$ 23	\$ 31	\$ 99	\$ 12	\$ 17
Percentage of total	12%	4%	11%	11%	3%	8%

Direct Government Support

Of the 310 respondents included in this study, 49 percent are government-supported institutions. Direct government support is a distinct source of unearned revenues that is applicable to many institutions and not applicable to others. The following tabulation compares the percentage of government-supported institutions included in the 1981 and 1977 surveys.

	Government-Supported Institutions as a Percentage of All Respondents		Government Support as a Percentage of Total Revenues	
	1977	1981	1977	1981
Class A. . .	73%	72%	2%	6%
Class B. . .	77	74	28	25
Class C. . .	21	13	21	2
Class D. . .	23	38	0	5
Class E. . .	32	48	26	26
Class F. . .	47	47	24	14

In connection with government support as a revenue source, respondents indicated whether their athletic programs receive any financial support from a state or other governmental unit. The following response summary is based on replies from the government-supported institutions (Questionnaire Part I, Questions No. 1 and No. 2).

Government-Supported Institutions	Respondent Category					
	A	B	C	D	E	F
Receive Government support for athletics:						
1981 response rate	78%	75%	100%	62%	53%	61%
1977 response rate	52	100	62	60	89	76

A majority of all government-supported institutions continue to receive direct government support for intercollegiate athletics. In Table 2.9, revenue sources as a percentage of total revenues are compared for government-supported and privately financed institutions. For the government-supported respondents, direct government support was a larger percentage of total revenues in 1981 than the percentages shown in Table 2.7, which are based on data from all respondents in Class A through F.

Policies Affecting Revenues

The questionnaire in Part I requested information concerning several policies and operating practices that affect various revenue sources. Response summaries for these questions are provided as qualitative information to supplement the analysis of revenue sources in Tables 2.7, 2.8 and 2.9.

(Part I, Question No. 5) "For your major sports, are admission rights, by ticket or other means, assessed to

TABLE 2.8
REVENUE SOURCES AS A PERCENTAGE OF TOTAL REVENUES

Fiscal Years 1973, 1977 and 1981

Revenue Sources as a Percentage of Total Revenues	Class A Group			Class B Group			Class C Group		
	1973	1977	1981	1973	1977	1981	1973	1977	1981
Total Ticket Sales	48%	47%	43%	26%	16%	23%	37%	27%	28%
Student Activity Fees.	8	7	6	21	21	20	7	6	12
Student Assessments	3	2	2	6	7	17	23	24	26
Guarantees and Options.	12	12	10	4	4	5	2	3	5
Contributions from Alumni	7	10	11	9	5	4	1	2	7
Distributions—Special Events	10	10	10	3	1	2	6	1	9
Government Support.	2	2	6	24	28	25	12	21	2
All Other Revenues	10	10	12	7	18	4	12	16	11

Revenue Sources as a Percentage of Total Revenues	Class D Group			Class E Group			Class F Group		
	1973	1977	1981	1973	1977	1981	1973	1977	1981
Total Ticket Sales	46%	23%	34%	44%	12%	14%	12%	12%	2%
Student Activity Fees.	11	12	17	21	40	9	66	51	13
Student Assessments	13	9	10	1	1	32	4	4	56
Guarantees and Options.	8	8	4	11	4	3	0	4	1
Contributions from Alumni	6	7	14	7	8	12	1	2	4
Distributions—Special Events	5	17	5	4	1	1	0	1	2
Government Support.	0	0	5	10	26	26	16	24	14
All Other Revenues	11	4	11	2	8	3	1	2	8

students on a mandatory basis through fees collected during student registration?"

"Yes" Replies	A	B	C	D	E	F
1981 survey	57%	58%	32%	52%	36%	30%
1977 survey	60	65	44	52	44	27

(Part I, Question No. 6) "For your major sports are season tickets or other rights to admission sold to students on an optional basis only?"

"Yes" Replies	A	B	C	D	E	F
1981 survey	45%	36%	14%	33%	29%	9%
1977 survey	44	40	15	21	7	18

(Part I, Question No. 7) "Is some portion of a general activity fee paid by students allotted to the athletic department without entitling students to admission to athletic events?"

"Yes" Replies	A	B	C	D	E	F
1981 survey	22%	26%	9%	19%	7%	14%
1977 survey	18	14	7	10	7	6

Question Nos. 5 and 6 tabulated above relate to ticket sales and student activity fees providing admission to games in major sports. The most prevalent policy continues to be mandatory student fees that confer admission rights. The activity fees in question No. 7 involve student assessments unrelated to athletic admissions. As a policy trend, more institutions are allotting some portion of student general activity fees to their athletic programs.

Revenues Classified by Sport

Individual sports such as football, basketball and others are the primary organizational units within an athletic program. As a focal point for financial analysis, each sport unit involves the use of resources to support its activities and may generate revenues that contribute to the financial requirements of the athletic program. Thus, it is important to evaluate

the revenues provided by each sport and the percentage composition of total revenues classified by sport. Many revenue sources can be directly associated with specific sports, such as ticket sales, guarantees and options, concessions, advertising and broadcasting fees. Other revenues such as student activity fees, contributions, investment income and direct government support usually are not identifiable with specific sports. Average revenues associated with major sports and their percentage contribution to total revenues are reported in Table 2.10 for fiscal years 1977 and 1981. Member institutions were asked to disclose revenues clearly identified with football, basketball and all other sports combined, along with the residual amount of total revenues not related to specific sports.

The percentage of total revenues represented by football and basketball in fiscal years 1969 through 1981 is summarized in Table 2.11. For comparative purposes, revenues from sports other than football and basketball and all remaining revenues have been combined in this table. As a percentage of total revenues, the relative amount provided by football revenues has declined in all applicable classes since 1969. For Class A and C respondents, the decrease in football revenue percentage was accompanied by an increase in the basketball revenue percentage. Table 2.10 shows no significant change in the percentage of revenues derived from sports other than football and basketball. The general trend in Table 2.11 toward a larger percentage of *all other revenues* must be attributed to increases in revenues not traceable to particular sports. This trend is consistent with the previous analysis of revenue sources, which indicated the growing significance of passive or unearned revenues such as contributions and government support.

TABLE 2.9
REVENUE SOURCES OF GOVERNMENT SUPPORTED AND
PRIVATELY FINANCED INSTITUTIONS
Fiscal Year 1981

Revenue Sources as a Percentage of Total Revenues	Class A		Class B		Class C		Class D		Class E		Class F	
	Gov.	Prvt.	Gov.	Prvt.	Gov.	Prvt.	Gov.	Prvt.	Gov.	Prvt.	Gov.	Prvt.
Total Ticket Sales	44%	41%	21%	40%	9%	33%	15%	58%	9%	28%	1%	5%
Student Activity Fees	7	3	20	28	18	10	28	3	7	17	4	44
Student Assessments	2	2	17	15	54	18	14	4	40	9	64	30
Guarantees and Options	9	11	4	14	*	6	3	6	3	4	1	2
Contributions from Alumni	10	13	4	1	*	8	17	9	4	34	4	1
Distributions—Special Events	9	13	2	2	3	11	4	7	1	2	*	8
Government Support	6	3	28	*	10	0	10	0	35	0	19	0
All Other Revenues	13	14	4	*	6	14	9	13	1	6	7	10
Total Revenues	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

*Less than 1 percent

TABLE 2.10
TOTAL REVENUES CLASSIFIED BY SPORT
Fiscal Years 1977 and 1981
(Dollar Amounts in Thousands)

Average Revenue Amounts and Percentage of Total Revenues by Respondent Category	Football Revenues		Basketball Revenues		Revenues From Other Sports		Revenues Not Related to Specific Sports		Total Revenues
	Average	Percent	Average	Percent	Average	Percent	Average	Percent	
Class A Institutions									
Fiscal year 1981	\$1,919	56%	\$ 445	13%	\$ 143	4%	\$ 951	27%	100%
Fiscal year 1977	1,333	62	270	12	62	3	573	23	100
Class B Institutions									
Fiscal year 1981	\$ 62	28%	\$ 26	12%	\$ 45	12%	\$ 182	48%	100%
Fiscal year 1977	88	30	44	15	59	14	156	41	100
Class C Institutions									
Fiscal year 1981	\$ 9	17%	\$ 23	41%	\$ 22	20%	\$ 26	22%	100%
Fiscal year 1977	10	24	16	34	11	12	53	30	100
Class D Institutions									
Fiscal year 1981	-	-	\$ 284	59%	\$ 42	6%	\$ 278	35%	100%
Fiscal year 1977			129	66	46	12	99	22	100
Class E Institutions									
Fiscal year 1981	-	-	\$ 19	19%	\$ 26	15%	\$ 97	66%	100%
Fiscal year 1977			17	29	31	26	60	45	100
Class F Institutions									
Fiscal year 1981	-	-	\$ 3	5%	\$ 20	15%	\$ 78	80%	100%
Fiscal year 1977			5	10	15	10	58	80	100

TABLE 2.11
**PERCENTAGE ANALYSIS OF TOTAL
REVENUES CLASSIFIED BY SPORT**
Fiscal Years 1969-1981

Functional Sources of Revenue by Respondent Category	1969	1973	1977	1981
Class A Institutions				
Football revenues	68%	66%	62%	56%
Basketball revenues	9	9	12	13
All other revenues	23	25	26	31
Class B Institutions				
Football revenues	34%	31%	30%	28%
Basketball revenues	20	14	15	12
All other revenues	46	55	55	60
Class C Institutions				
Football revenues	33%	29%	24%	17%
Basketball revenues	12	39	34	41
All other revenues	55	32	42	42
Class D Institutions				
Basketball revenues	89%	64%	66%	59%
All other revenues	11	36	34	41
Class E Institutions				
Basketball revenues	NR	43%	29%	19%
All other revenues		57	71	81
Class F Institutions				
Basketball revenues	NR	7%	10%	5%
All other revenues		93	90	95

NR—Data for Class E and F Institutions, as currently defined, are not available for years preceding 1970.

Analysis of Football Revenues

Revenues derived from football for Classes A, B and C respondents are analyzed in the following three exhibits:

- Table 2.12—Analysis of Trends in Football Revenues
- Table 2.13—Summary Analysis of Football Revenues
- Table 2.14—Percentage Composition of Football Revenues

Average football revenues increased significantly for Class A respondents between 1969 and 1981. Between 1977 and 1981, average football revenues in Classes B and C decreased to amounts only slightly larger than the 1969 averages. Football revenues as a percentage of total revenues declined consistently for each respondent category. For the Class A group, average football revenues increased but at a slower rate than the growth in total revenues. For Classes B and C, average football revenues decreased between 1978 and 1981 while total revenues increased. The result in all three classes is that football revenues have decreased as a percentage of total revenues.

Total ticket sales, student activity fees and other specific revenue sources in football are summarized for 1977 and 1981 in Table 2.14. As a combined percentage of total football revenues, the six revenue sources accounted for 93 percent of Class A football

revenues in fiscal year 1981, 90 percent for Class B and 85 percent for Class C. The percentage composition of Class A football revenues was relatively stable. For Class B and C institutions, football ticket

sales increased in relative significance, and student activity fees related to football decreased on a percentage basis.

TABLE 2.12
ANALYSIS OF TRENDS IN FOOTBALL REVENUES
Fiscal Years 1969-1981
(Dollar Amounts in Thousands)

Revenue Measures by Respondent Category	1969	1973	1977	1981
Class A Institutions				
Average football revenues	\$960	\$1,028	\$1,333	\$1,919
Percentage of total revenues	68%	66%	62%	56%
Ratio to 1969 revenues	100	107	139	200
Class B Institutions				
Average football revenues	\$ 45	\$ 64	\$ 88	\$ 62
Percentage of total revenues	34%	31%	30%	28%
Ratio to 1969 revenues	100	142	196	138
Class C Institutions				
Average football revenues	\$ 8	\$ 13	\$ 10	\$ 9
Percentage of total revenues	33%	29%	24%	17%
Ratio to 1969 revenues	100	163	125	112

TABLE 2.13
SUMMARY ANALYSIS OF FOOTBALL REVENUES
Fiscal Years 1977 and 1981
(Dollar Amounts in Thousands)

Respondent Category	Average Revenues		Percentage Change	1981 Revenue Range	
	1977	1981		High	Low
Class A Institutions	\$1,333	\$1,919	+ 44%	\$6,674	\$16
Class B Institutions	88	62	-29%	459	2
Class C Institutions	10	9	-10%	62	1

TABLE 2.14
PERCENTAGE COMPOSITION OF FOOTBALL REVENUES
Fiscal Years 1977 and 1981

Sources of Football Revenues	Class A Group		Class B Group		Class C Group	
	1977	1981	1977	1981	1977	1981
Total ticket sales not reduced by guarantees paid and excluding student activity fees	58%	59%	31%	40%	28%	57%
Student activity fees	2	3	25	13	35	11
Guarantees and options received	19	15	9	17	11	3
Contributions from alumni and others	5	5	5	2	5	10
Broadcasting and sponsors' fees for television	10	9	1	3	1	4
Direct government support	*	2	20	15	5	0
Other football revenues	6	7	9	10	15	15
	100%	100%	100%	100%	100%	100%

*Less than 1 percent

Analysis of Basketball Revenues

Revenues derived from basketball are analyzed in the following three exhibits:

- Table 2.15—Analysis of Trends in Basketball Revenues
- Table 2.16—Summary Analysis of Basketball Revenues
- Table 2.17—Percentage Composition of Basketball Revenues

Average basketball revenues increased significantly between 1969 and 1981 for Class A, C and D respondents, as indicated in Table 2.15. For the Class A group, basketball revenues increased from nine percent to 13 percent of total revenues. For the Class D group, basketball revenues decreased from 89 percent to 59 percent of total revenues. These two respondent categories include institutions reporting more than \$1 million in basketball revenues for fiscal year 1981.

TABLE 2.15
ANALYSIS OF TRENDS IN BASKETBALL REVENUES

Fiscal Years 1969-1981
(Dollar Amounts in Thousands)

Revenue Measures by Respondent Category	1969	1973	1977	1981
Class A Institutions				
Average basketball revenues	\$131	\$148	\$270	\$445
Percentage of total revenues	9%	9%	12%	13%
Ratio to 1969 revenues	100	113	206	340
Class B Institutions				
Average basketball revenues	\$ 24	\$ 29	\$ 44	\$ 26
Percentage of total revenues	20%	14%	15%	12%
Ratio to 1969 revenues	100	121	183	108
Class C Institutions				
Average basketball revenues	\$ 3	\$ 17	\$ 16	\$ 23
Percentage of total revenues	12%	39%	34%	41%
Ratio to 1969 revenues	100	566	533	767
Class D Institutions				
Average basketball revenues	\$ 61	\$ 84	\$129	\$284
Percentage of total revenues	89%	64%	66%	59%
Ratio to 1969 revenues	100	138	211	466
Class E Institutions				
Average basketball revenues	NR	\$ 15	\$ 17	\$ 19
Percentage of total revenues		43%	29%	19%
Class F Institutions				
Average basketball revenues	NR	\$ 2	\$ 5	\$ 3
Percentage of total revenues		7%	10%	5%

NR—Data for Class E and F Institutions, as currently defined, are not available for years preceding 1970.

TABLE 2.16
SUMMARY ANALYSIS OF BASKETBALL REVENUES

Fiscal Years 1977 and 1981
(Dollar Amounts in Thousands)

Respondent Category	Average Revenues		Percentage Change	1981 Revenue Range	
	1977	1981		High	Low
Class A Institutions	\$270	\$445	+ 65%	\$1,800	\$13
Class B Institutions	44	26	-41	158	1
Class C Institutions	16	23	+ 44	356	.1
Class D Institutions	129	284	+ 120	1,089	25
Class E Institutions	17	19	+ 12	195	1
Class F Institutions	5	3	-40	12	.2

Specific revenue sources as a percentage of total basketball revenues are compared for fiscal years 1977 and 1981 in Table 2.17. Six major revenue sources in basketball were defined as follows:

1. Total ticket sales to public, students and university staff, not reduced by guarantees paid and excluding student activity fees.
2. Student activity fees.
3. Guarantees and options received.
4. Contributions from alumni and others.
5. Broadcasting and sponsors' fees from television, collected directly or by conference distribution.
6. Direct state or other government support.

In 1981, these six revenue sources accounted for the following combined percentage of total basketball revenues: Class A, 94 percent; Class B, 90 percent; Class C, 98 percent; Class D, 89 percent; Class E, 83 percent; Class F, 91 percent. Except for Classes E and F respondents, total ticket sales are the most significant revenue source in basketball. Revenue sources as a percentage of total basketball revenues were relatively stable for Classes A, B and D respondents.

Summary

Average total revenues of intercollegiate athletic

programs demonstrated substantial growth during the four-year period ending in fiscal year 1981. During this period, compound annual growth rates for total revenues ranged from 10 percent in Class C to 16 percent in Class D. For the same period, a 27 percent increase in average total revenues was required to equal general inflationary trends as measured by the Gross National Product price index. Average total revenues of all respondent groups showed real revenue growth after adjustment for inflation. Estimated aggregate revenues of all NCAA member institutions in fiscal year 1981 were \$718 million.

On a combined basis, revenue sources related to athletic events, such as ticket sales and conference distributions, generally decreased as a percentage of total revenues between 1973 and 1981. On a combined basis, unearned revenue sources, such as contributions from alumni and government support, have increased as a percentage of total revenues. As a percentage of total revenues, revenues derived from football have decreased consistently on a relative basis since 1969. In general, the growth in total revenues has been accompanied by significant increases in revenues not related to specific sports. This trend is consistent with the increased significance of unearned revenue sources as a percentage of total revenues.

TABLE 2.17
PERCENTAGE COMPOSITION OF BASKETBALL REVENUES
Fiscal Years 1977 and 1981

Respondent Category	Total Ticket Sales	Student Activity Fees	Guarantees and Options	Contributions	Broadcasting Fees	Government Support	All Other Sources	Total Basketball Revenues
Class A Institutions								
Fiscal year 1981	64%	5%	7%	5%	10%	3%	6%	100%
Fiscal year 1977	62	4	11	5	7	1	10	100
Class B Institutions								
Fiscal year 1981	52%	12%	8%	3%	1%	14%	10%	100%
Fiscal year 1977	43	16	8	6	2	14	11	100
Class C Institutions								
Fiscal year 1981	41%	15%	19%	6%	17%	0%	2%	100%
Fiscal year 1977	64	12	5	2	1	1	15	100
Class D Institutions								
Fiscal year 1981	50%	13%	6%	9%	9%	2%	11%	100%
Fiscal year 1977	53	9	10	3	6	0	19	100
Class E Institutions								
Fiscal year 1981	23%	36%	7%	9%	*	9%	17%	100%
Fiscal year 1977	21	28	7	8	*	33	3	100
Class F Institutions								
Fiscal year 1981	8%	72%	5%	2%	0%	4%	9%	100%
Fiscal year 1977	16	75	2	0	0	3	4	100

*Less than 1 percent

CHAPTER III

Analysis of Expenses

Operating expenses for an athletic program consist of the costs incurred for salaries, grants-in-aid, travel, equipment and supplies, contract game settlements paid to opposing teams and similar disbursements required for the current operation and administration of the athletic department. Operating expenses should be recognized during the time period when goods and services are consumed or utilized. Operating expenses should be distinguished from the term *expenditures*. As used in institutional accounting, expenditures include current operating expenses, additions to property, plant and equip-

ment and certain types of debt service charges for principal and interest payments. This study is primarily concerned with trends and classifications of operating expenses. The term *expenses* in this study refers to operating expenses. Separate sections in this chapter analyze total operating expenses, expenses classified by object, grants-in-aid expenses and expenses related to particular sports.

Total Operating Expenses

Total operating expenses for the four-year period 1978-1981 and other selected years are analyzed in

TABLE 3.1
MEDIAN AND MEAN TOTAL EXPENSES
Fiscal Years 1974-1981
(Dollar Amounts in Thousands)

Expense Measures by Respondent Category	1974	1975	1976	1977	1978	1979	1980	1981
Class A Institutions								
Median total expenses	\$1,588	\$1,870	\$1,950	\$2,056	\$1,752	\$1,802	\$2,100	\$2,576
Mean total expenses	1,761	1,924	2,096	2,213	2,238	2,460	2,875	3,243
Annual percentage change (a)	9%	9%	9%	6%	1%	10%	17%	13%
Class B Institutions								
Median total expenses	\$ 295	\$ 305	\$ 331	\$ 368	\$ 278	\$ 286	\$ 312	\$ 376
Mean total expenses	369	392	412	460	287	322	355	392
Annual percentage change	9%	6%	5%	12%	-38%	12%	10%	10%
Class C Institutions								
Median total expenses	\$ 97	\$ 96	\$ 97	\$ 111	\$ 121	\$ 126	\$ 133	\$ 146
Mean total expenses	145	153	162	171	188	201	221	249
Annual percentage change	6%	6%	5%	6%	10%	6%	10%	13%
Class D Institutions								
Median total expenses	\$ 180	\$ 185	\$ 214	\$ 281	\$ 410	\$ 467	\$ 599	\$ 652
Mean total expenses	252	255	289	317	410	476	563	631
Annual percentage change	7%	1%	13%	10%	29%	16%	18%	12%
Class E Institutions								
Median total expenses	\$ 97	\$ 103	\$ 131	\$ 122	\$ 136	\$ 131	\$ 157	\$ 228
Mean total expenses	137	157	135	146	163	166	180	232
Annual percentage change	2%	15%	-14%	8%	12%	1%	9%	29%
Class F Institutions								
Median total expenses	\$ 53	\$ 55	\$ 61	\$ 65	\$ 65	\$ 73	\$ 74	\$ 53
Mean total expenses	67	72	76	83	106	121	129	144
Annual percentage change	13%	8%	5%	10%	28%	14%	6%	12%

(a) Annual percentage change based on average total expenses

the following exhibits:

- Table 3.1 – Median and Mean Total Expenses
- Table 3.2 – Analysis of Trends in Total Expenses
- Table 3.3 – Frequency Distributions for Total Expenses
- Table 3.4 – Summary Analysis of Total Expenses
- Table 3.5 – Expense Trends and General Price-Level Changes
- Table 3.6 – Estimated Aggregate Expenses
- Table 3.7 – Debt-Service Cost and Capital Expenditures
- Table 3.8 – Forecasts of Average Total Expenses

Total Expense Trends

Median and mean total operating expenses are presented by respondent category in Table 3.1 for the period 1974-1981. This table also shows the annual percentage change in average expenses for each year. Mean and median expenses are reported to indicate the representativeness of average measures that are used throughout this study. For all respondent categories, the mean exceeds the median measure of total expenses. The mean, or average, measure is affected by the comparatively larger expense amounts reported by some institutions in each category. Average expense measures are used in this study as representative expense amounts, which

partially compensates for the fact that some respondents do not include salaries and grants-in-aid expenses in the athletic budget if these expenses are paid from other institutional sources of funds.

Both mean and median total expenses in Table 3.1 indicate a pattern of increasing expenses for all respondent categories. The percentage increase in average expenses between 1974 and 1981 exceeds 100 percent only for Class D and F institutions. Mean and median total expenses for Class B decreased significantly between 1977 and 1978. In 1978, approximately 30 Class B institutions moved into Division I-AA, which is included in Class A as defined by this study. For the Class B group, expense trends for the period 1978-1981 are based on comparable information for these respondents.

General trends in average total expenses are summarized in Table 3.2 for the period 1970 to 1981, using four-year intervals. Average expenses for each class in 1970 are used as a base amount to indicate the relative increase in average expenses over this 12-year period. Average Class A expenses in 1981 of \$3,243,000 are 257 percent of the 1970 level, which indicates a 157 percent increase since 1970. This longer-run trend analysis in Table 3.2 indicates a significant percentage increase in the average expenses for each respondent group.

Table 3.3 presents frequency distributions for the 1981 operating expenses of each respondent class. These frequency distributions indicate the disper-

TABLE 3.2
ANALYSIS OF TRENDS IN TOTAL EXPENSES
Fiscal Years 1970-1981
(Dollar Amounts in Thousands)

Expense Measures by Respondent Category	1970	1973	1977	1981
Class A Institutions				
Average total expenses	\$1,263	\$1,614	\$2,213	\$3,243
Ratio to 1970 expenses	100	128	175	257
Class B Institutions				
Average total expenses	\$ 265	\$ 339	\$ 460	\$ 392
Ratio to 1970 expenses	100	128	174	148
Class C Institutions				
Average total expenses	\$ 125	\$ 136	\$ 171	\$ 249
Ratio to 1970 expenses	100	109	137	199
Class D Institutions				
Average total expenses	\$ 216	\$ 235	\$ 317	\$ 631
Ratio to 1970 expenses	100	109	147	292
Class E Institutions				
Average total expenses	\$ 80	\$ 134	\$ 146	\$ 232
Ratio to 1970 expenses	100	167	182	290
Class F Institutions				
Average total expenses	\$ 48	\$ 59	\$ 83	\$ 144
Ratio to 1970 expenses	100	123	173	300

sion in total expenses reported by each class and are useful interpretive supplements to average and median expense amounts. The frequency distributions reveal a significant range in total expenses reported by each category in 1981. For example, six Class A institutions reported total expenses of \$800,000 or

less; and 15 respondents in this group had total expenses exceeding \$5,600,000. In general, the frequency distributions permit a specific institution to evaluate its total expenses in relation to other respondents in the same category.

The highest and lowest amounts of total expenses

TABLE 3.3
FREQUENCY DISTRIBUTIONS FOR TOTAL EXPENSES
Fiscal Year 1981
(Dollar Amounts in Thousands)

Class A Group			Class B Group			Class C Group		
More Than	Less Than	Number	More Than	Less Than	Number	More Than	Less Than	Number
\$ 0	\$ 800	6	\$ 0	\$ 150	10	\$ 0	\$ 50	3
800	1,600	26	150	300	6	50	100	14
1,600	2,400	14	300	450	10(M)	100	150	20
2,400	3,200	8	450	600	7	150	200	13
3,200	4,000	10(M)	600	750	4	200	250	5(M)
4,000	4,800	8	750	900	1	250	300	0
4,800	5,600	10	over	900	2	300	350	3
over	5,600	15				over	350	15
		97			40			73
Class D Group			Class E Group			Class F Group		
More Than	Less Than	Number	More Than	Less Than	Number	More Than	Less Than	Number
\$ 0	\$ 150	2	\$ 0	\$ 50	2	\$ 0	\$ 50	15
150	300	1	50	100	4	50	100	6
300	450	2	100	150	3	100	150	2(M)
450	600	4	150	200	4	150	200	3
600	750	5(M)	200	250	4(M)	200	250	2
750	900	4	250	300	4	over	250	3
900	1,050	1	300	350	2			
over	1,050	2	over	350	5			
		12			28			31

(M) Indicates expense interval corresponding with average total expenses for 1981

TABLE 3.4
SUMMARY ANALYSIS OF TOTAL EXPENSES
Fiscal Year 1981
(Dollar Amounts in Thousands)

Respondent Category	Total Expenses for 1981			1978-1981 Compound Growth Rate*
	High	Average	Low	
Class A Institutions	\$10,818	\$3,243	\$25	13%
Class B Institutions	1,077	392	96	11%
Class C Institutions	1,849	249	28	10%
Class D Institutions	1,290	631	55	16%
Class E Institutions	640	232	30	12%
Class F Institutions	1,572	144	1	11%

*The annual growth rate that explains the change in average expenses between 1978 and 1981

reported in 1981 are shown in Table 3.4 in comparison with average total expenses for each class. This table also includes a compound annual growth rate applicable to average total expenses for each class during the period 1978-1981. A compound annual growth rate is the annual rate of increase that explains the change in average total expenses between 1978 and 1981. For example, Class B average expenses increased from \$287,000 in 1978 to \$392,000 in 1981. The equal annual percentage growth rate that explains this increase is 11 percent. The actual percentage change in average expenses tends to vary each year, as shown in Table 3.1. Compound annual growth rates are convenient measures that summarize the expense increases for each respondent category between 1978 and 1981.

Evaluation of Expense Increases

The trend of increasing annual expenses for each institutional category is evaluated in this report by comparison with the general inflationary trends that prevailed during the period 1978-1981.

General price-level changes or inflation affect the comparability of expense trends. Over a series of years, inflation will cause increased annual expenses for an athletic program that perhaps experienced no real increase in the quantity of goods and services used. The most comprehensive measure of general

price level changes in the United States is the Gross National Product (GNP) price deflator. During the period 1978-1981, this price index increased 27 percent, which is equivalent to a compound annual increase of eight percent in the general price level. Accordingly, an athletic program with a compound growth rate of approximately eight percent demonstrated a pattern of increasing expenses that corresponded with general inflationary trends during the 1978-1981 period.

Expense trends and general price-level changes for the period 1978-1981 are compared in Table 3.5. For comparative purposes, the average GNP price index was restated such that the average index for 1978 is 100 percent. Average total expenses are shown by respondent category as a percentage of 1978 average expenses, based on both actual historical dollar amounts and expenses restated to the average price level of fiscal year 1978. The adjusted base-year ratio in Table 3.5 indicates the change in average total expenses based on a common-dollar measure using the average price level of fiscal 1978. Restatement of average expenses for each year eliminates the general inflationary effect that partially was responsible for expense increases measured in historical dollars. Since the adjusted base-year ratio involves a constant price level, it is an overall measure of real increases in expenses incurred by athletic programs.

TABLE 3.5
EXPENSE TRENDS AND GENERAL PRICE-LEVEL CHANGES
Fiscal Years 1978-1981

Average Total Expenses as a Percentage of 1978 Average Expenses	1978	1979	1980	1981
Average Price-Level Index (a)	100%	108%	116%	127%
Class A Institutions				
Actual base-year ratio (b)	100%	110%	128%	145%
Adjusted base-year ratio (c)	100	102	110	114
Class B Institutions				
Actual base-year ratio	100	121	124	137
Adjusted base-year ratio	100	112	107	108
Class C Institutions				
Actual base-year ratio	100	107	118	132
Adjusted base-year ratio	100	99	101	104
Class D Institutions				
Actual base-year ratio	100	116	137	154
Adjusted base-year ratio	100	107	118	121
Class E Institutions				
Actual base-year ratio	100	102	110	142
Adjusted base-year ratio	100	94	95	112
Class F Institutions				
Actual base-year ratio	100	114	122	136
Adjusted base-year ratio	100	105	105	107

(a) Average Gross National Product price deflator for fiscal years ending June 30 restated such that 1978 = 100 percent.

(b) Average total expenses as a percentage of 1978 average expenses with no adjustment for inflation.

(c) Revised base-year ratio using average total expenses stated in terms of the average price level during 1978.

If inflationary trends were sufficient to explain all increases in operating expenses, then the adjusted base-year ratio would be 100 percent for each year between 1978 and 1981.

Base-year ratios in Table 3.5 should be interpreted as follows. For Class D, 1981 average expenses are 154 percent of the 1978 average, which indicates a 54 percent increase expressed in historical or actual dollar amounts. With the effect of inflationary trends eliminated, Class D expenses in 1981 are 121 percent of 1978 average expenses. In general, this 21 percent increase in the adjusted base-year ratio represents the real increase in total expenses caused by acquiring more goods and services, expanding the program or purchasing goods and services at prices that increased more rapidly than the general price level.

During the period 1978-1981, a 27 percent increase in average total expenses would be considered normal if operating expenses increased at a rate equal to general price-level changes measured by the GNP price index. For 1981, the actual base-year ratio of each class is greater than 127 percent, which indicates that expense increases for all respondent categories exceeded changes in the general price level. After adjustment for inflation, all respondent groups show an adjusted base-year ratio in excess of 100 percent. The real increase in average total expenses between 1978 and 1981 ranged from four percent for Class C to 21 percent for Class D.

Expense Estimates and Forecasts

To indicate the general economic significance of athletic programs, aggregate total expenses of all NCAA member institutions in fiscal year 1981 are estimated in Table 3.6. The point estimate of aggregate total operating expenses incurred by all NCAA members during 1981 is approximately \$770 million. This estimate is based on the assumption that the respondents from each class are a representative sample. The estimate was determined by multiplying average expenses for each category by

TABLE 3.6
ESTIMATED AGGREGATE EXPENSES
Fiscal Year 1981
(Dollar Amounts in Thousands)

Respondent Category	Number of Members	Average Total Expenses 1981	Estimated Aggregate Expenses
Class A Institutions	187	\$3,243	\$606,441*
Class B Institutions	121	392	47,432
Class C Institutions	187	249	46,563
Class D Institutions	68	631	42,908
Class E Institutions	72	232	16,704
Class F Institutions	118	144	16,992
	753		\$770,040

*(187 x \$3,243 = \$606,441)

TABLE 3.7
DEBT-SERVICE COST AND CAPITAL EXPENDITURES
Fiscal Years 1974-1981
(Dollar Amounts in Thousands)

Average Expenditures and Percentage of Respondents Reporting This Cost Item	1974	1975	1976	1977	1978	1979	1980	1981
Class A Institutions								
Average expenditures	\$167	\$266	\$215	\$222	\$366	\$383	\$286	\$398
Percentage reporting data	49%	52%	52%	52%	39%	40%	40%	40%
Class B Institutions								
Average expenditures	\$126	\$118	\$ 88	\$108	\$106	\$108	\$105	\$ 80
Percentage reporting data	9%	15%	19%	22%	7%	7%	7%	12%
Class C Institutions								
Average expenditures	\$149	\$108	\$117	\$146	\$141	\$ 47	\$ 50	\$ 71
Percentage reporting data	7%	9%	9%	9%	10%	14%	15%	16%
Class D Institutions								
Average expenditures	\$ 37	\$ 46	\$ 46	\$ 44	\$120	\$ 68	\$ 44	\$ 71
Percentage reporting data	23%	18%	19%	23%	5%	14%	14%	19%
Class E Institutions								
Average expenditures	\$ 50	\$ 38	\$ 47	\$ 32	\$108	\$114	\$130	\$121
Percentage reporting data	13%	17%	12%	21%	16%	19%	23%	26%
Class F Institutions								
Average expenditures	\$ 49	\$ 52	\$ 59	\$ 66	\$ 5	\$ 21	\$ 21	\$ 11
Percentage reporting data	18%	18%	18%	18%	8%	8%	8%	10%

the number of members and summing the computed amounts. The estimated aggregate expenses of \$770 million are 75 percent more than the comparable estimate of \$439 million for fiscal year 1977.

In reporting total operating expenses, respondents were directed to exclude interest and principal payments on long-term debt and capital expenditures for physical plant facilities. Expenditures for debt-service cost and acquisition of plant assets were reported separately and are summarized in Table 3.7. In 1981, average debt-service cost and capital expenditures ranged from \$398,000 in Class A to \$11,000 in Class F. It is significant to note the percentage of respondents that reported debt-service cost and capital expenditures for the athletic program. In Class A, 40 percent of the respondents reported these expenditures in 1981; in general, less than 25 percent of respondents in all other classes reported debt-service cost and capital expenditures. These expenditures have not been included in operating expenses described elsewhere in this study.

Based upon an analysis of past expense trends, forecasts of average total expenses were developed for each respondent category. These forecasts, for fiscal years 1982 through 1985, are presented in Table 3.8. These forecasts are derived from a time-series application of simple linear regression analysis. The forecasts for each institutional category are based on expense trends during the past five years and generally involve coefficients of determination (r^2) ranging from .90 to .99. For fiscal year 1985, forecasts of average total expenses are: \$4,214,000 for Class A; \$530,000 for Class B; \$319,000 for Class C; \$946,000 for Class D; \$289,000 for Class E; \$203,000 for Class F. The accuracy of these time-series forecasts cannot be assured, but the estimates provide useful information concerning the potential operating expenses that must be financed by respondent categories in future years.

Expenses Classified by Object

A classification of operating expenses by *object*

describes the nature of goods and services acquired and is independent of the activity or function in which the goods and services are utilized. As summarized in Tables 3.9 and 3.10, the percentage composition of total operating expenses substantially is explained by the following object classifications:

1. Grants-in-aid.
2. Guarantees and options paid.
3. Salaries, wages and fringe benefits.
4. Team travel, scouting and recruiting.
5. Athletic equipment, uniforms and supplies.

Major Expense Classifications

The five major expense classifications listed above and the residual category of all other expenses are analyzed in Table 3.9 for fiscal years 1977 and 1981. In fiscal year 1981, these five object classifications accounted for the following combined percentage of total operating expenses: 75 percent in Class A; 77 percent in Class B; 77 percent in Class C; 83 percent in Class D; 82 percent in Class E, and 82 percent in Class F. In Table 3.9, differences are apparent as to the relative significance of certain operating expenses among respondent categories. Guarantees and options are a material expense classification only for the Class A group. Consistent with the Division II and Division III structure applicable to certain NCAA members, grants-in-aid to participating athletes are a more significant expense in Class B than in Class C; and the same generalization applies to grants-in-aid of Class E and Class F institutions. For all respondent categories, the percentage composition of total expenses classified by object was relatively constant between 1977 and 1981. A common change for most respondent groups was a decrease in grants-in-aid as a percentage of total expenses and a corresponding increase in the percentage of expenses attributed to salaries and wages.

Percentage composition of total expenses classified by object is summarized by respondent category

TABLE 3.8
FORECASTS OF AVERAGE TOTAL EXPENSES
Fiscal Years 1982-1985
(Dollar Amounts in Thousands)

Respondent Category	1981 Actual Expenses	Forecast of Average Total Expenses			
		1982	1983	1984	1985
Class A Institutions	\$3,243	\$3,404	\$3,674	\$3,944	\$4,214
Class B Institutions	392	425	460	495	530
Class C Institutions	249	262	281	300	319
Class D Institutions	631	713	791	868	946
Class E Institutions	232	233	252	270	289
Class F Institutions	144	159	174	188	203

ries for fiscal years 1973-1981 in Table 3.10. Relative shifts in the distribution of total expenses are more readily evident by examining relationships for this nine-year period. The prevalent trends shown in Table 3.10 are a decrease in grants-in-aid as a percentage of total expenses and an increase in the percentage of total expenses related to salaries and travel.

Inclusiveness of Expenses

For all respondent categories, grants-in-aid and salary payments on a combined basis were the most significant operating expenses when measured as a percentage of total expenses. In fiscal year 1981, these two expense classifications accounted for the following percentage of total expenses:

Percentage of Total Expenses for Respondents in	Grants-in-Aid and Salaries
Class A	46%
Class B	49
Class C	48
Class D	57
Class E	56
Class F	52

The comparability of reported expenses among respondent classes is affected by different accounting practices for the inclusion of grants-in-aid and sala-

ries in expenses of the athletic program. In some cases, salaries are paid from institutional funds not controlled by the athletic department; the resulting amounts are not included in expenses of the athletic program. A number of institutions that award grants-in-aid to participating athletes do not report these payments as operating expenses, because the amounts are paid by institutional funds outside the control of the athletic department. Many institutions do not award grants-in-aid and, therefore, do not incur this expense item.

With regard to grants-in-aid, the following response summary is provided in order to determine the inclusiveness and relative comparability of expenses analyzed in this study.

(Part I, Question No. 8) "Does your institution award grants-in-aid to student-athletes?"

"Yes" Replies	A	B	C	D	E	F
1981 survey	91%	86%	15%	95%	97%	8%
1977 survey	98	93	29	86	100	28

The respondents actually reporting grants-in-aid expenses approximate the percentage of institutions that award grants. Likewise, a substantial majority of each class reported salary expenses. Thus, the expense analysis in this study is based primarily upon institutions that include salaries and grants-in-aid (if awarded) in expenses of the athletic program.

TABLE 3.9
OPERATING EXPENSES CLASSIFIED BY OBJECT OF EXPENDITURE
Fiscal Years 1977 and 1981
(Dollar Amounts in Thousands)

Average Expense and Percentage of Total Expenses by Respondent Category	Grants in aid		Guarantees and Options		Salaries and Wages		Team and Other Travel		Equipment and Supplies		All Other Expenses		Total Expenses
	Mean	Percent	Mean	Percent	Mean	Percent	Mean	Percent	Mean	Percent	Mean	Percent	
Class A Institutions													
Fiscal year 1981	\$556	16%	\$408	11%	\$1,012	30%	\$436	13%	\$157	5%	\$844	25%	100%
Fiscal year 1977	432	18	315	12	652	28	264	12	116	5	560	25	100
Class B Institutions													
Fiscal year 1981	\$148	26%	\$ 34	5%	\$ 148	23%	\$ 69	15%	\$ 37	8%	\$108	23%	100%
Fiscal year 1977	161	29	16	2	180	32	70	14	44	9	85	14	100
Class C Institutions													
Fiscal year 1981	\$238	10%	\$ 10	1%	\$ 160	38%	\$ 51	18%	\$ 30	10%	\$ 68	23%	100%
Fiscal year 1977	97	14	15	2	104	39	31	15	30	15	42	15	100
Class D Institutions													
Fiscal year 1981	\$184	25%	\$ 23	3%	\$ 233	32%	\$122	17%	\$ 47	6%	\$131	17%	100%
Fiscal year 1977	126	27	21	4	116	27	50	13	24	6	89	23	100
Class E Institutions													
Fiscal year 1981	\$ 82	26%	\$ 6	1%	\$ 91	30%	\$ 45	16%	\$ 25	9%	\$ 53	18%	100%
Fiscal year 1977	57	28	3	1	68	34	23	14	14	8	30	15	100
Class F Institutions													
Fiscal year 1981	\$ 13	*	\$ 2	*	\$ 126	52%	\$ 28	16%	\$ 22	14%	\$ 31	18%	100%
Fiscal year 1977	65	9	4	*	111	44	28	12	21	11	58	24	100

*Less than 1 percent.

Grants-in-Aid Expenses

In the questionnaire for this study, the term grant-in-aid was defined as follows:

"Any institutionally administered financial aid awarded to a student who has been recruited on the basis of athletic ability, or any athletically related financial aid provided a student-athlete regardless of recruitment."

Expenses and other information for grants-in-aid are summarized in Tables 3.11 and 3.12 for fiscal years 1977 and 1981.

Table 3.11 presents average total grants-in-aid expenses classified by sport and the average annual cost of a full grant. Except for Classes B and F respondents, average total grants-in-aid expenses increased between 1977 and 1981. The percentage of total grants-in-aid expenses related to football decreased in Classes A, B and C institutions. As shown in Table 3.12, the average number of full grants available to be awarded each year decreased between 1977 and 1981 for every respondent category. The general pattern for most respondents was a smaller number of full grants available, a decrease in full grants awarded and an increase in the number of

athletes receiving partial grants-in-aid. These developments occurred during a four-year period when the number of participating athletes increased for each group except Class C.

The primary cause of reported increases in average total grants-in-aid expenses between 1977 and 1981 was the increased annual cost of a full grant. The following tabulation summarizes the general cause and effect relationships that account for the change in average total grants-in-aid (GIA) expenses between 1977 and 1981.

Respondents	Percentage Change Between 1977 and 1981		
	Full Grants Available	Cost of Full Grant	Average Total GIA Expenses
Class A	- 4%	+ 9%	+ 29%
Class B	-38	+ 107	- 8
Class C	-10	+ 92	+ 145
Class D	-13	+ 37	+ 46
Class E	-22	+ 35	+ 44
Class F	-47	+ 84	- 80

The general conclusion is that substantially all increases in total grants-in-aid expenses were attributable primarily to increases in the annual cost of a full grant.

The following response summaries to questions

TABLE 3.10
EXPENSES BY OBJECT AS A PERCENTAGE OF TOTAL EXPENSES
Fiscal Years 1973-1981

Respondent Category	Grants-in-Aid	Guarantees and Options	Salaries and Wages	Team and Other Travel	Equipment and Supplies	All Other Expenses	Total Expenses
Class A Institutions:							
Fiscal year 1981	16%	11%	30%	13%	5%	25%	100%
Fiscal year 1977	18	12	28	12	5	25	100
Fiscal year 1973	21	13	27	11	5	23	100
Class B Institutions							
Fiscal year 1981	26	5	23	15	8	23	100
Fiscal year 1977	29	2	32	14	9	14	100
Fiscal year 1973	29	2	30	14	9	16	100
Class C Institutions							
Fiscal year 1981	10	1	38	18	10	23	100
Fiscal year 1977	14	2	39	15	15	15	100
Fiscal year 1973	18	2	33	13	14	20	100
Class D Institutions							
Fiscal year 1981	25	3	32	17	6	17	100
Fiscal year 1977	27	4	27	13	6	23	100
Fiscal year 1973	33	4	23	13	10	17	100
Class E Institutions							
Fiscal year 1981	26	1	30	16	9	18	100
Fiscal year 1977	28	1	34	14	8	15	100
Fiscal year 1973	33	7	28	9	13	10	100
Class F Institutions							
Fiscal year 1981	*	*	52	16	14	18	100
Fiscal year 1977	9	*	44	12	11	24	100
Fiscal year 1973	6	*	47	14	11	22	100

*Less than 1 percent of total expenses.

regarding grants-in-aid expenses tend to confirm the general conclusion stated above. Respondents were asked to indicate the factors that significantly were

responsible for increased annual operating expenses since 1977. The response summaries are based on those institutions that award grants-in-aid. (Part I,

TABLE 3.11
ANALYSIS OF GRANTS-IN-AID EXPENSES
Fiscal Years 1977 and 1981
(Dollar Amounts in Thousands)

Average Grants-in-Aid Expense by Respondent Category	Football		Basketball		Other Sports		Total Grants- in-Aid Expense		Average Annual Cost of Full Grant*
	Mean	Percent	Mean	Percent	Mean	Percent	Mean	Percent	
Class A Institutions									
Fiscal year 1981	\$310	56%	\$ 51	16%	\$195	28%	\$556	100%	\$3,880
Fiscal year 1977	265	61	41	9	126	30	432	100	3,567
Class B Institutions									
Fiscal year 1981	\$ 84	57%	\$ 27	18%	\$ 37	25%	\$148	100%	\$6,042
Fiscal year 1977	95	59	26	16	40	25	161	100	2,922
Class C Institutions									
Fiscal year 1981	\$ 54	23%	\$ 96	40%	\$ 88	37%	\$238	100%	\$7,283
Fiscal year 1977	44	45	36	37	17	18	97	100	3,790
Class D Institutions									
Fiscal year 1981	NA		\$ 77	42%	\$107	58%	\$184	100%	\$5,315
Fiscal year 1977			52	41	74	59	126	100	3,880
Class E Institutions									
Fiscal year 1981	NA		\$ 43	52%	\$ 39	48%	\$ 82	100%	\$4,864
Fiscal year 1977			32	56	25	44	57	100	3,607
Class F Institutions									
Fiscal year 1981	NA		\$ 5	38%	\$ 8	62%	\$ 13	100%	\$5,567
Fiscal year 1977			31	48	34	52	65	100	3,025

* Average cost of annual grant is stated to the nearest dollar amount

TABLE 3.12
ANALYSIS OF GRANTS-IN-AID RECIPIENTS
Fiscal Years 1977-1981

Respondent Category	Full Grants Available	Average Number of Recipients			Average Number of Athletes	Percentage Receiving Grants
		Full Grants	Partial Grants	Total		
Class A Institutions						
Fiscal year 1981	140	107	77	184	343	54%
Fiscal year 1977	146	116	70	186	337	55
Class B Institutions						
Fiscal year 1981	51	25	85	110	305	36%
Fiscal year 1977	82	56	78	134	303	44
Class C Institutions						
Fiscal year 1981	27	17	54	71	294	24%
Fiscal year 1977	30	24	44	68	308	22
Class D Institutions						
Fiscal year 1981	37	19	52	71	150	47%
Fiscal year 1977	31	18	45	63	145	43
Class E Institutions						
Fiscal year 1981	22	12	42	54	147	37%
Fiscal year 1977	18	11	34	45	135	33
Class F Institutions						
Fiscal year 1981	10	8	4	12	169	7%
Fiscal year 1977	19	12	34	46	159	29

Questions Nos. 9d and 9e)

Respondents	A	B	C	D	E	F
Number awarding grants	88	37	12	20	30	3
Considered significant:						
Increase in number of grants	47%	27%	31%	70%	50%	0%
Increase in cost of a full grant	93%	76%	54%	90%	90%	67%

The majority response is that increases in the annual cost of full grants were primarily responsible for resulting increases in total expenses for grants-in-aid.

Expenses Related to Specific Sports

Expenses associated with specific sports tend to indicate areas of emphasis within an athletic program and to provide a measure of resource allocation. Since separate sports are the major functional activities or economic segments that make up an athletic program, it is important to evaluate the expenses directly related to each sport and the percentage composition of total expenses classified by sport. Many expense items benefit more than one sport and are, therefore, common to several activities. Maintenance expenses, utilities, program administration, office supplies, certain salaries and communication expenses are examples of expense items that usually cannot be identified with specific sports. For purposes for measuring resource allocation,

these general and administrative expenses should not be allocated or apportioned to various sports.

In reporting total operating expenses directly related to particular sports, respondents were directed to include grants-in-aid, salaries, travel, equipment and all other expenses clearly identifiable with each sport. Specifically, respondents disclosed expenses clearly related to football; basketball; all other sports combined and the residual amount of total expenses not related to specific sports. Average expenses classified on this functional basis and their percentage relationship to total expenses are summarized in Table 3.13 for fiscal years 1977 and 1981.

In fiscal year 1981, expenses directly related to specific sports accounted for 67 percent of Class A expenses, 77 percent for Class B, 81 percent for Class C, 79 percent for Class D, 84 percent for Class E and 74 percent for Class F. Between 1977 and 1981, the percentage composition of total expenses was relatively stable for all respondent groups. The percentage composition of total expenses on a functional basis is summarized in Table 3.14 for fiscal years 1969 through 1981. By using four-year intervals, this exhibit indicates trends in the percentage composition of total expenses classified by sport. As a percentage of total expenses, football expenses declined in all applicable respondent categories: from 51 percent to 41 percent in Class A; from 42 percent

TABLE 3.13
TOTAL OPERATING EXPENSES CLASSIFIED BY SPORT
Fiscal Years 1977 and 1981
(Dollar Amounts in Thousands)

Average Expense Amounts and Percentage of Total Expenses by Respondent Category	Football Expenses		Basketball Expenses		Expenses for Other Sports		Expenses Not Related to Specific Sports		Total Expenses
	Average	Percent	Average	Percent	Average	Percent	Average	Percent	
Class A Institutions									
Fiscal year 1981	\$1,335	41%	\$ 329	10%	\$ 527	16%	\$1,118	33%	100%
Fiscal year 1977	1,045	47	245	11	332	15	632	27	100
Class B Institutions									
Fiscal year 1981	\$ 123	34%	\$ 54	15%	\$ 108	28%	\$ 103	23%	100%
Fiscal year 1977	195	41	69	15	142	29	90	15	100
Class C Institutions									
Fiscal year 1981	\$ 42	17%	\$ 47	18%	\$ 122	48%	\$ 76	19%	100%
Fiscal year 1977	38	21	25	14	71	39	60	26	100
Class D Institutions									
Fiscal year 1981	NA	NA	\$ 273	43%	\$ 239	36%	\$ 183	21%	100%
Fiscal year 1977			142	43	125	38	79	19	100
Class E Institutions									
Fiscal year 1981	NA	NA	\$ 71	32%	\$ 120	52%	\$ 60	16%	100%
Fiscal year 1977			51	30	74	45	59	25	100
Class F Institutions									
Fiscal year 1981	NA	NA	\$ 17	15%	\$ 65	59%	\$ 33	26%	100%
Fiscal year 1977			23	22	68	61	25	17	100

to 34 percent in Class B; from 26 percent to 17 percent in Class C. The relative decrease in football expenses on a percentage basis is similar to trends in the percentage of total revenues derived from football. The prevalent trend shown in Table 3.14 is an increase in the percentage of total expenses related to sports other than football and basketball during the period 1969-1981.

Analysis of Football Expenses

Expenses related to football for Classes A, B and C respondents are analyzed in the following exhibits:

- Table 3.15 – Analysis of Trends in Football Expenses
- Table 3.16 – Summary Analysis of Football Expenses
- Table 3.17 – Frequency Distributions for Football Expenses
- Table 3.18 – Football Expenses Classified by Object

Between 1969 and 1981, average football expenses increased 100 percent for Class A, 45 percent for Class B and 75 percent for Class C, as shown by the trend analysis in Table 3.15. In relationship to total expenses, however, football expenses declined on a

TABLE 3.14
PERCENTAGE ANALYSIS OF OPERATING EXPENSES CLASSIFIED BY SPORT
Fiscal Years 1969-1981

Percentage Composition of Operating Expenses by Respondent Category	1969	1973	1977	1981
Class A Institutions				
Football expenses	51%	48%	47%	41%
Basketball expenses	10	10	11	10
Expenses—other sports	12	14	15	16
All other expenses	27	28	27	33
	100%	100%	100%	100%
Class B Institutions				
Football expenses	42%	40%	41%	34%
Basketball expenses	23	15	15	15
Expenses—other sports	15	27	29	28
All other expenses	20	18	15	23
	100%	100%	100%	100%
Class C Institutions				
Football expenses	26%	22%	21%	17%
Basketball expenses	12	17	14	18
Expenses—other sports	27	38	39	48
All other expenses	35	23	26	17
	100%	100%	100%	100%
Class D Institutions				
Basketball expenses	51%	47%	43%	43%
Expenses—other sports	24	36	38	36
All other expenses	25	17	19	21
	100%	100%	100%	100%
Class E Institutions				
Basketball expenses	NR	40%	30%	32%
Expenses—other sports	NR	39	45	52
All other expenses	NR	21	25	16
		100%	100%	100%
Class F Institutions				
Basketball expenses	NR	23%	22%	15%
Expenses—other sports	NR	57	61	59
All other expenses	NR	20	17	26
		100%	100%	100%

NR—Data for Class E and F Institutions, as currently defined, are not available for years preceding 1970.

TABLE 3.15
ANALYSIS OF TRENDS IN FOOTBALL EXPENSES
 Fiscal Years 1969-1981
 (Dollar Amounts in Thousands)

Expense Measures by Respondent Category	1969	1973	1977	1981
Class A Institutions				
Average football expenses	\$668	\$793	\$1,045	\$1,335
Percentage of total expenses	51%	48%	47%	41%
Ratio to 1969 expenses	100	119	156	200
Class B Institutions				
Average football expenses	\$ 85	\$140	\$ 195	\$ 123
Percentage of total expenses	42%	40%	41%	34%
Ratio to 1969 expenses	100	165	229	145
Class C Institutions				
Average football expenses	\$ 24	\$ 33	\$ 38	\$ 42
Percentage of total expenses	26%	22%	21%	17%
Ratio to 1969 expenses	100	138	158	175

TABLE 3.16
SUMMARY ANALYSIS OF FOOTBALL EXPENSES
 Fiscal Years 1977 and 1981
 (Dollar Amounts in Thousands)

Respondent Category	Average Expenses		Percentage Change	1981 Expense Range	
	1977	1981		High	Low
Class A Institutions	\$1,045	\$1,335	+ 28%	\$4,216	\$100
Class B Institutions	195	123	- 37	467	20
Class C Institutions	38	42	+ 11	158	9

TABLE 3.17
FREQUENCY DISTRIBUTIONS FOR FOOTBALL EXPENSES
 Fiscal Year 1981
 (Dollar Amounts in Thousands)

Class A Group			Class B Group			Class C Group		
More Than	Less Than	Number	More Than	Less Than	Number	More Than	Less Than	Number
\$ 0	\$ 300	6	\$ 0	\$ 50	19	\$ 0	\$ 25	34
300	600	23	50	100	5	25	50	22(M)
600	900	16	100	150	6(M)	50	75	8
900	1,200	8	150	200	3	75	100	8
1,200	1,500	8(M)	200	250	3	100	125	1
1,500	1,800	5	250	300	2	over	125	1
1,800	2,100	10	over	300	4			
2,100	2,400	7						
2,400	2,700	6						
over	2,700	8						
		<u>97</u>			<u>42</u>			<u>74</u>

(M) Indicates expense interval corresponding with average football expenses for 1981

percentage basis during this 12-year period. In relative terms, the annual growth rate for average football expenses has been less than the annual growth rate for average total expenses between 1969 and 1981. While the amount of football expenses at most institutions has increased annually, the annual rate of change for each class has been less than the growth rate for total expenses. During the period 1969-1981, football expenses as a percentage of total expenses therefore decreased.

As a summary of recent trends in football expenses, the change in average expenses between 1977 and 1981 is indicated in Table 3.16 along with the highest and lowest amounts of football expenses reported for each class during 1981. Football expenses for 1981 are summarized by respondent group with frequency distributions in Table 3.17. For 1981, there was a significant range of football expenses reported by each institutional category. For the Class A group, 46 percent of the respondents reported football expenses of \$900,000 or less. In Class B, 57 percent of the institutions reported football expenses of \$100,000 or less. In Class C, 76 percent of the respondents had football expenses of \$50,000 or less.

Football expenses classified by object are shown on a percentage basis for fiscal years 1977 and 1981 in Table 3.18. The five major object classifications of expenses in football are grants-in-aid, salaries, guarantees and options, travel and equipment. On a combined basis, these five expenses in 1981 accounted for 82 percent of football expenses in Class A, 86 percent in Class B and 77 percent in Class C. As a percentage of total football expenses, grants-in-aid decreased on a relative basis in Class A and Class C. In general, the structure of football expenses classified by object remained stable between 1977 and 1981 only for the Class A institutions.

Analysis of Basketball Expenses

Expenses related to basketball are analyzed in the following exhibits:

- Table 3.19 – Analysis of Trends in Basketball

Expenses

- Table 3.20 – Summary Analysis of Basketball Expenses
- Table 3.21 – Frequency Distributions for Basketball Expenses
- Table 3.22 – Basketball Expenses Classified by Object

Between 1969 and 1981, average basketball expenses as shown in Table 3.19 increased 153 percent for Class A, 29 percent for Class B, 327 percent for Class C and 170 percent for Class D institutions. As currently defined, Classes E and F institutions were not analyzed separately for years preceding 1970. In relationship to total expenses, basketball expenses have consistently represented approximately 10 percent of total expenses for Class A, 15 percent for Class B, 18 percent for Class C and 43 percent for Class D.

Tables 3.20 and 3.21 summarize trends in basketball expenses between 1977 and 1981 and frequency distributions for these expenses in 1981. There was a significant range of reported basketball expenses for each class in 1981, but individual expense amounts were fairly evenly distributed about the reported averages. Basketball expenses of \$50,000 or less were reported in 1981 by 69 percent of Class B respondents, 89 percent of Class C, 48 percent of Class E and 96 percent of Class F. Basketball expenses classified by object are compared on a percentage basis in Table 3.22 for fiscal years 1977 and 1981. The five major object classifications of expenses defined in this report accounted for at least 76 percent of total basketball expenses of all respondent categories in 1981. On a percentage basis, the general trend between 1977 and 1981 involved a relative decrease in grants-in-aid expenses and relative increases in salaries and travel. This trend is similar to changes in the percentage composition of total operating expenses classified by object.

Summary

Average total operating expenses of intercollegiate

TABLE 3.18
FOOTBALL EXPENSES CLASSIFIED BY OBJECT
Fiscal Years 1977 and 1981

Expenses by Object as a Percentage of Total Football Expenses	Class A Group		Class B Group		Class C Group	
	1977	1981	1977	1981	1977	1981
Grants-in-aid	23%	20%	21%	37%	42%	2%
Guarantees and options paid	24	23	2	4	4	1
Salaries and wages	19	20	27	21	24	37
Team travel, scouting, recruiting	13	14	16	15	13	20
Equipment and supplies	4	5	16	9	8	17
All other expenses	17	18	18	14	9	23
Total Football Expenses	100%	100%	100%	100%	100%	100%

athletic programs increased substantially during the four-year period ending in fiscal year 1981. During the period 1978-1981, compound annual growth rates for total expenses ranged from 10 percent in Class C to 16 percent in Class D. For the same period, a 27 percent increase in average total expenses would have been expected if operating expenses had increased at a rate equal to inflationary trends measured by the Gross National Product price index. Average total expenses of all respondent groups

increased by more than 27 percent between 1978 and 1981. After adjustment for inflation, all respondent groups showed a real increase in average total expenses, ranging from four percent for Class C to 21 percent for Class D. The estimated aggregate expenses of all NCAA member institutions in 1981 were \$770 million.

The major types of operating expenses classified by object are grants-in-aid, guarantees and options paid, salaries, travel and equipment. Between fiscal

TABLE 3.19
ANALYSIS OF TRENDS IN BASKETBALL EXPENSES
Fiscal Years 1969-1981
(Dollar Amounts in Thousands)

Expense Measures by Respondent Category	1969	1973	1977	1981
Class A Institutions				
Average basketball expenses	\$130	\$166	\$245	\$329
Percentage of total expenses	10%	10%	11%	10%
Ratio to 1969 expenses	100	128	188	253
Class B Institutions				
Average basketball expenses	\$ 42	\$ 53	\$ 69	\$ 54
Percentage of total expenses	23%	15%	15%	15%
Ratio to 1969 expenses	100	126	164	129
Class C Institutions				
Average basketball expenses	\$ 11	\$ 25	\$ 25	\$ 47
Percentage of total expenses	12%	17%	14%	18%
Ratio to 1969 expenses	100	227	227	427
Class D Institutions				
Average basketball expenses	\$101	\$107	\$142	\$273
Percentage of total expenses	51%	47%	43%	43%
Ratio to 1969 expenses	100	106	141	270
Class E Institutions				
Average basketball expenses	NR	\$ 42	\$ 51	\$ 71
Percentage of total expenses		40%	30%	32%
Class F Institutions				
Average basketball expenses	NR	\$ 16	\$ 23	\$ 17
Percentage of total expenses		23%	22%	15%

NR—Data for Class E and F Institutions, as currently defined, are not available for years preceding 1970.

TABLE 3.20
SUMMARY ANALYSIS OF BASKETBALL EXPENSES
Fiscal Years 1977 and 1981
(Dollar Amounts in Thousands)

Respondent Category	Average Expenses		Percentage Change	1981 Expense Range	
	1977	1981		High	Low
Class A Institutions	\$245	\$329	+ 34%	\$1,184	\$ 27
Class B Institutions	69	54	- 22	205	8
Class C Institutions	25	47	+ 88	553	4
Class D Institutions	142	273	+ 92	698	20
Class E Institutions	51	71	+ 39	226	12
Class F Institutions	23	17	- 26	62	5

TABLE 3.21
FREQUENCY DISTRIBUTIONS FOR BASKETBALL EXPENSES
 Fiscal Year 1981
 (Dollar Amounts in Thousands)

Class A Group			Class B Group			Class C Group		
More Than	Less Than	Number	More Than	Less Than	Number	More Than	Less Than	Number
\$ 0	\$ 50	2	\$ 0	\$ 25	12	\$ 0	\$ 25	26
50	100	1	25	50	17	25	50	39(M)
100	150	15	50	75	3(M)	50	75	1
150	200	13	75	100	1	75	100	1
200	250	10	100	125	3	over	100	6
250	300	11	125	150	3			
300	350	5(M)	150	175	2			
350	400	9	over	175	1			
400	450	7						
over	450	23						
		96			42			73
Class D Group			Class E Group			Class F Group		
More Than	Less Than	Number	More Than	Less Than	Number	More Than	Less Than	Number
\$ 0	\$ 50	2	\$ 0	\$ 25	6	\$ 0	\$ 25	18(M)
50	100	1	25	50	8	25	50	6
100	150	1	50	75	6(M)	50	75	1
150	200	2	75	100	2			
200	250	3	100	125	3			
250	300	4(M)	125	150	2			
300	350	2	over	150	2			
350	400	3						
over	400	3						
		21			29			25

(M) Indicates expense interval corresponding with average basketball expenses for 1981.

TABLE 3.22
BASKETBALL EXPENSES CLASSIFIED BY OBJECT
 Fiscal Years 1977 and 1981

Expenses by Object as a Percentage of Total Basketball Expenses	Grants-in-Aid	Guarantees and Options	Salaries and Wages	Team and Other Travel	Equipment and Supplies	Other Expenses	Total Basketball Expenses
Class A Institutions							
Fiscal year 1981	13%	9%	27%	24%	3%	24%	100%
Fiscal year 1977	15	9	25	21	4	26	100
Class B Institutions							
Fiscal year 1981	27%	3%	27%	23%	7%	13%	100%
Fiscal year 1977	31	4	27	19	6	13	100
Class C Institutions							
Fiscal year 1981	21%	3%	30%	26%	6%	14%	100%
Fiscal year 1977	26	5	31	19	8	11	100
Class D Institutions							
Fiscal year 1981	26%	6%	24%	24%	6%	14%	100%
Fiscal year 1977	26	6	17	15	3	33	100
Class E Institutions							
Fiscal year 1981	34%	3%	20%	14%	6%	23%	100%
Fiscal year 1977	36	4	27	14	8	11	100
Class F Institutions							
Fiscal year 1981	1%	2%	31%	29%	15%	22%	100%
Fiscal year 1977	24	2	37	22	9	6	100

years 1973 and 1981, the prevalent trend was a decrease in grants-in-aid as a percentage of total expenses; salaries and travel as a percentage of total expenses increased. For grants-in-aid expenses, the general pattern between 1977 and 1981 was a decrease in the number of full grants available, a decrease in full grants awarded and an increase in the number of athletes receiving partial grants-in-aid. Increases in average total grants-in-aid expenses

between 1977 and 1981 were primarily caused by increases in the annual cost of a full grant. As a percentage of total expenses, expenses directly related to football have consistently declined on a relative basis since 1969. For the same period, expenses directly related to sports other than football and basketball have increased as a percentage of total expenses.

CHAPTER IV

Revenue and Expense Relationships

Revenue and expense relationships are examined in this chapter by comparative analysis of average revenues and expenses and a review of net financial results. Net financial results were measured by comparing revenues and expenses for each respondent and classifying the difference as *operating profit* or *deficit*. Operating profit describes an excess of revenues over expenses, and deficit refers to an excess of expenses over revenues. The concept of profit is not entirely appropriate to the character or purpose of most athletic programs, and the term is intended merely to describe a condition in which revenues exceed expenses. Deficit also is used more for brevity than for technical accuracy.

Operating profits and deficits are analyzed for the total athletic programs and for the major sports of football and basketball. The financial objectives and operating policies affecting respondents' athletic

Financial Objectives and Policies

The relative significance of operating profits and deficits for athletic programs depends upon the nature of financial objectives and related policies that govern the operation of these programs. In the 1977 study, and again in 1981, sufficiency of revenues was cited as the dominant financial objective of athletic programs. If an athletic program generates significant revenues, then intercollegiate athletics should be accounted for within the university as an *auxiliary enterprise* which provides services on a fee basis. Fees charged for these services are directly related to the cost of rendering services. An understanding of this environment and related financial objectives is essential to an interpretation of revenue and expense relationships for athletic programs.

With regard to basic financial objectives, 93 percent of all respondents in the 1981 survey specified

Indicated Financial Objectives of Athletic Programs	Respondent Categories					
	A	B	C	D	E	F
1) Earn maximum revenues with any deficits financed by institutional resources						
1981 survey	26%	72%	90%	71%	71%	78%
1977 survey	27	68	90	74	69	88
2) Earn sufficient revenues to recover program costs						
1981 survey	58%	21%	10%	24%	29%	22%
1977 survey	56	30	8	16	31	12
3) Earn profits in order to expand the athletic program						
1981 survey	15%	5%	0%	5%	0%	0%
1977 survey	13	2	1	5	0	0
4) Earn profits to support nonathletic activities of the institution						
1981 survey	1%	2%	0%	0%	0%	0%
1977 survey	4	0	1	5	0	0

programs are summarized, in order to provide a basis for evaluating the quantitative aspects of revenue and expense relationships. This chapter also includes an analysis of revenues and expenses related to women's athletic programs and a summary of factors that tend to explain general financial trends reported in other sections of the study.

revenue sufficiency objectives that are consistent with the goal of generating revenues to recover program costs. The response summary above indicates the dominance of financial objectives related to revenue sufficiency (Part I, Question No. 4). The first two objectives in this listing are related to the goal of revenue sufficiency.

The first-ranked financial objective in all categories except Class A is "to earn as much revenue as possible with any deficit in athletics covered by general operating funds of the institution." For the Class A institutions, the first-ranked objective is "to earn sufficient revenues to cover the expenses of athletic programs."

A policy matter related to the financial objectives expressed by most respondents concerns the ability of the athletic program to rely upon institutional resources to cover deficits or certain operating expenses. The following summary presents the rank order of policies indicated by respondents as being applicable to their operations. (Part I, Question No. 3)

Extent of Reliance Upon Institutional Resources	Rank Order of Indicated Policies—By Class					
	A	B	C	D	E	F
To cover any athletic program deficit	3	2	3	1	3	3
To pay certain operating expenses	1	1	1	1	1	1
To support nonrevenue sports	1	3	2	2	2	2
None (self-supporting program)	2	4	4	3	4	4

As ranked by the percentage of all respondents indicating certain policies, the most common practice (68 percent) is for operating expenses such as salaries and travel to be paid from institutional resources (funds not generated by the athletic program). The second most frequently cited policy is the use of institutional funds to support nonrevenue producing sports (58 percent). The third-ranked policy is reliance upon institutional resources only if a deficit is incurred by the athletic program (52 percent). The least frequently cited policy is operating on a self-supported basis within the limits of revenues generated by the athletic program (22 percent of all respondents collectively).

In contrast with other respondents, 44 percent of the Class A group indicated the self-supporting basis as an applicable policy. For most athletic programs, reliance upon operating funds of the institution is essential. In respondent categories other than Class A, most institutions reported operating expenses in excess of revenues for the athletic program. In general, the revenue and expense relationships presented in the following sections are consistent with the prevalent financial objectives and related policies of athletic programs.

Analysis of Revenues and Expenses

A comparative analysis of revenues and expenses reveals the basic financial characteristics of athletic programs. Average revenues and expenses are compared to indicate the representative resource requirements of each respondent group. These general measures are followed by operating profit and deficit results for each respondent category.

Total Revenues and Expenses

Total revenues and expenses are analyzed comparatively in the following exhibits:

- Table 4.1—Comparative Averages for Total Revenues and Expenses
- Table 4.2—Total Operating Profits and Deficits
- Table 4.3—Frequency Distributions for Operating Deficits

As indicated in Table 4.1, average total expenses exceeded average total revenues for each respondent group during the period 1974-1981, with the exception of Class A between 1978 and 1981. Differences between average revenues and expenses in this exhibit are described as *implied* deficits or profits and

were computed only for purposes of summarizing the comparative changes in revenues and expenses of each category. For the eight-year period 1974-1981, the implied deficits of applicable respondent groups increased significantly. This general trend indicates that revenue growth was not sufficient to match the increase in total operating expenses.

Actual operating profit and deficit results based on total revenues and expenses of each respondent are presented in Table 4.2 for 1973, 1977 and 1981. For Class A institutions, 40 percent of the respondents reported deficits in fiscal year 1981 that increased from an average of \$345,000 in 1973 to \$506,000 in 1981. This \$161,000 increase in average deficit is significantly less than the \$397,000 increase in average operating profit during the same period. Although average revenues and expenses increased materially during these years, the percentage of Class A respondents reporting deficits decreased from 47 percent to 40 percent. Accordingly, revenues in 1981 were sufficient for 60 percent of these institutions to recover total operating expenses. The average deficit for all respondent groups other than Class A increased significantly between 1973 and 1981. The percentage of respondents reporting deficits during this period increased for Class B, Class C and Class F. The percentage of respondents reporting deficits decreased for Classes D and E. Operating deficits incurred by respondents in 1981 are described further by the frequency distributions in Table 4.3. These distributions reveal the range and concentration of 1981 deficits and generally indicate that the average deficit for each respondent category is a representative measure. The largest 1981 deficit reported by each group was \$2,300,000 in Class A,

\$850,000 in Class B, \$1,600,000 in Class C, \$800,000 in Class D, \$600,000 in Class E and \$300,000 in Class F.

In 1981, 60 percent of Class A respondents reported total revenues that equaled or exceeded total expenses. The average operating profit of \$616,000 for Class A respondents is described by the following frequency distribution.

Excess of Total Revenues over Total Expenses (Thousands of Dollars)		Number of Class A Respondents
At Least	Less Than	
\$ 0	\$150	14
150	300	8
300	450	5
450	600	2
600	750	5
750	900	6
over	900	10
		50

For the 50 Class A respondents reporting profits in 1981, 44 percent had profits of \$300,000 or less; the largest was \$2,400,000. Accordingly, Class A institu-

tions are characterized by many respondents that are able to operate on a self-supporting basis; 44 percent of the Class A group indicated this policy as a financial objective, and 52 percent reported operating profits in 1981. Since the majority of other institutional categories reported operating deficits, some form of reliance on other institutional resources is necessary to finance these athletic programs.

Football Revenues and Expenses

Average revenues and expenses for football are compared by respondent category in Table 4.4 for the period 1969-81 on the basis of four-year intervals. Between 1969 and 1981, Class A football revenues exceeded average expenses each year; average revenues and average expenses increased by approximately 100 percent during this 12-year period. The implied operating profit was 30 percent of average revenues in both 1969 and 1981. For Classes B and C respondents, the excess of average football expenses over related revenues increased annually between

TABLE 4.1
COMPARATIVE AVERAGES FOR TOTAL REVENUES AND EXPENSES
Fiscal Years 1974-1981
(Dollar Amounts in Thousands)

Average Operating Results by Respondent Category	1974	1975	1976	1977	1978	1979	1980	1981
Class A Institutions								
Total revenues	\$1,708	\$1,849	\$2,085	\$2,183	\$2,368	\$2,581	\$2,959	\$3,391
Total expenses	1,781	1,924	2,096	2,213	2,238	2,460	2,875	3,243
Implied (deficit) or profit (a)	(73)	(75)	(11)	(30)	130	121	84	148
Class B Institutions								
Total revenues	\$ 229	\$ 236	\$ 276	\$ 311	\$ 164	\$ 182	\$ 212	\$ 248
Total expenses	369	392	412	460	287	322	355	392
Implied deficit	140	156	136	149	123	140	143	144
Class C Institutions								
Total revenues	\$ 47	\$ 50	\$ 53	\$ 55	\$ 40	\$ 45	\$ 51	\$ 56
Total expenses	145	153	162	171	188	201	221	249
Implied deficit	98	103	109	116	148	156	170	193
Class D Institutions								
Total revenues	\$ 135	\$ 133	\$ 163	\$ 196	\$ 277	\$ 343	\$ 384	\$ 476
Total expenses	252	255	289	317	410	476	563	631
Implied deficit	117	122	126	121	133	133	179	155
Class E Institutions								
Total revenues	\$ 64	\$ 87	\$ 63	\$ 69	\$ 74	\$ 77	\$ 86	\$ 102
Total expenses	137	157	135	146	163	166	180	232
Implied deficit	73	70	72	77	89	89	94	130
Class F Institutions								
Total revenues	\$ 38	\$ 37	\$ 37	\$ 39	\$ 24	\$ 26	\$ 29	\$ 30
Total expenses	67	72	76	83	106	121	129	144
Implied deficit	29	35	39	44	82	95	100	114

(a) Deficit is used to describe an excess of expenses over revenues.
Profit is used to describe an excess of revenues over expenses.

1969 and 1981. For these two respondent groups, revenue growth in football was insufficient to recover the annual increases in average operating expenses.

Actual football operating profits and deficits in 1973, 1977 and 1981 are analyzed in Table 4.5. The percentage of Class A and B respondents reporting football deficits decreased during this period. However, the average football deficit reported by Class A respondents increased 28 percent from 1973 to 1981. For the institutions with football deficits, revenue growth was not adequate to recover the annual increases in football expenses.

The largest operating profits and deficits in football for 1981 are shown by the following tabulations, with dollar amounts in thousands.

Largest Amounts Reported (1981)

Football Results by Respondent Category	Largest Amounts Reported (1981)	
	Profit	Deficit
Class A	\$4,800	\$600
Class B	100	350
Class C	50	100

Consistent with the relative profitability of football for many Class A respondents, the average operating profit of \$1,142,000 in 1981 exceeds the average deficit of \$248,000; and the largest deficit of \$600,000 is less than the average operating profit. Since 85 percent of Class B and 97 percent of Class C respondents reported deficits in 1981, the average 1981 football profits for these respondent groups are relatively insignificant. In 1981, the number of re-

Respondent Category	Percentage of Total Revenues and Expenses Related to Football				Resource Allocation Index	
	Revenues		Expenses		1977	1981
	1977	1981	1977	1981		
Class A	62%	56%	47%	41%	1.32	1.37
Class B	30	28	41	34	.73	.82
Class C	24	17	21	17	1.14	1.00

TABLE 4.2
TOTAL OPERATING PROFITS AND DEFICITS
Fiscal Years 1973-1981
(Dollar Amounts in Thousands)

Average Total Revenues and Expenses by Respondent Category	Revenues Exceed Expenses		Expenses Exceed Revenues		Number With Balanced Budget	Percent Reporting Deficits
	Number of Respondents	Average Profit	Number of Respondents	Average Deficit		
Class A Institutions						
Fiscal year 1981	50	\$616	39	\$506	8	40%
Fiscal year 1977	47	281	30	523	4	37
Fiscal year 1973	41	219	39	345	3	47
Class B Institutions						
Fiscal year 1981	7	\$ 58	28	\$225	4	72%
Fiscal year 1977	10	79	35	240	6	69
Fiscal year 1973	10	24	32	183	4	70
Class C Institutions						
Fiscal year 1981	2	\$ 38	59	\$230	2	94%
Fiscal year 1977	5	44	65	138	1	92
Fiscal year 1973	4	79	63	109	2	91
Class D Institutions						
Fiscal year 1981	5	\$158	14	\$312	1	70%
Fiscal year 1977	5	138	15	226	0	75
Fiscal year 1973	4	55	16	169	1	76
Class E Institutions						
Fiscal year 1981	5	\$ 8	18	\$202	3	69%
Fiscal year 1977	2	3	19	98	3	79
Fiscal year 1973	2	6	20	75	2	83
Class F Institutions						
Fiscal year 1981	1	\$ 2	17	\$106	6	71%
Fiscal year 1977	0	0	10	43	4	71
Fiscal year 1973	2	3	8	36	4	57

spondents with football operating profits was six in Class B and two in Class C.

As a summary of the revenue and expense relationships for intercollegiate football, the tabulation on the preceding page compares the percentage of total revenues provided by football with the percentage of total expenses related to football in fiscal years 1977 and 1981. For each respondent category,

the percentage of total revenues provided by football decreased; the percentage of total expenses directly related to football also decreased. The resource allocation index measures the proportionate relationship between share of total revenues provided by football and share of total expenses related to football.

For example, the 1981 resource allocation index for

TABLE 4.3
FREQUENCY DISTRIBUTIONS FOR TOTAL OPERATING DEFICITS*
Fiscal Year 1981
(Dollar Amounts in Thousands)

Class A Group			Class B Group			Class C Group		
More Than	Less Than	Number	More Than	Less Than	Number	More Than	Less Than	Number
\$ 0	\$ 200	13	\$ 0	\$ 50	3	\$ 0	\$ 100	19
200	400	9	50	100	4	100	200	19
400	600	6(M)	100	150	7	200	300	4(M)
600	800	2	150	200	2	300	400	10
800	1,000	3	200	250	1(M)	400	500	2
1,000	1,200	3	250	300	3	500	600	2
over	1,200	3	over	300	8	over	600	3
		39			28			59
Class D Group			Class E Group			Class F Group		
More Than	Less Than	Number	More Than	Less Than	Number	More Than	Less Than	Number
\$ 0	\$ 100	4	\$ 0	\$ 50	2	\$ 0	\$ 50	9
100	200	0	50	100	2	50	100	1
200	300	5	100	150	3	100	150	1(M)
300	400	1(M)	150	200	1	150	200	4
400	500	1	200	250	7(M)	over	200	2
500	600	1	250	300	0			
over	600	2	over	300	3			
		14			18			17

*Operating deficit is defined as the excess of total expenses over total revenues.

(M) Indicates deficit interval corresponding with average 1981 deficit.

TABLE 4.4
AVERAGE REVENUES AND EXPENSES IN FOOTBALL
Fiscal Years 1969-1981
(Dollar Amounts in Thousands)

Average Results for Football by Respondent Category	1969	1973	1977	1981
Class A Institutions				
Total revenues	\$960	\$1,028	\$1,333	\$1,919
Total expenses	668	793	1,045	1,335
Implied operating profit	292	235	288	584
Class B Institutions				
Total revenues	\$ 45	\$ 64	\$ 88	\$ 62
Total expenses	85	140	195	123
Implied deficit	(40)	(76)	(107)	(61)
Class C Institutions				
Total revenues	\$ 8	\$ 13	\$ 10	\$ 9
Total expenses	24	33	38	42
Implied deficit	(16)	(20)	(28)	(33)

TABLE 4.5
OPERATING PROFITS AND DEFICITS IN FOOTBALL
Fiscal Years 1973-1981
(Dollar Amounts in Thousands)

Average Results for Football by Respondent Category	Revenues Exceed Expenses		Expenses Exceed Revenues		Percent Reporting Deficits
	Number of Respondents	Average Profit	Number of Respondents	Average Deficit	
Class A Institutions					
Fiscal year 1981	56	\$1,142	36	\$248	39%
Fiscal year 1977	43	797	38	221	47
Fiscal year 1973	45	590	33	194	42
Class B Institutions					
Fiscal year 1981	6	\$ 36	34	\$ 83	85%
Fiscal year 1977	4	102	44	137	92
Fiscal year 1973	3	57	41	92	93
Class C Institutions					
Fiscal year 1981	2	\$ 7	60	\$ 37	97%
Fiscal year 1977	2	22	47	29	96
Fiscal year 1973	4	16	38	26	90

TABLE 4.6
AVERAGE REVENUES AND EXPENSES IN BASKETBALL
Fiscal Years 1969-1981
(Dollar Amounts in Thousands)

Average Results for Basketball by Respondent Category	1969	1973	1977	1981
Class A Institutions				
Total revenues	\$131	\$148	\$270	\$445
Total expenses	130	166	245	329
Implied profit (deficit)	1	(18)	25	116
Class B Institutions				
Total revenues	\$ 24	\$ 29	\$ 44	\$ 26
Total expenses	42	53	69	54
Implied deficit	18	24	25	28
Class C Institutions				
Total revenues	\$ 3	\$ 17	\$ 16	\$ 23
Total expenses	11	25	25	47
Implied deficit	8	8	9	24
Class D Institutions				
Total revenues	\$ 61	\$ 84	\$129	\$284
Total expenses	101	107	142	273
Implied profit (deficit)	(40)	(23)	(13)	11
Class E Institutions				
Total revenues	NR	\$ 15	\$ 17	\$ 19
Total expenses		42	51	71
Implied deficit		27	34	52
Class F Institutions				
Total revenues	NR	\$ 2	\$ 5	\$ 3
Total expenses		16	23	17
Implied deficit		14	18	14

NR—Data for Class E and F Institutions, as currently defined, are not available for years preceding 1970.

Class A football is 1.37, which is the 56 percent revenue share divided by the 41 percent expense share. A ratio of 1.0 or greater indicates that football provided a greater percentage of total revenues than it required as a percentage of total expenses. The resource allocation index is a relative measure of resources provided to resources used. An index of less than 1.0 indicates that football utilized a disproportionate share of total funds. Between 1978 and 1981, average total revenues and expenses increased significantly for Classes A, B and C. During this period, the percentage of total revenues provided by football remained essentially proportionate to the percentage of total expenses related to football. The resource allocation index for each class did not change materially between 1977 and 1981.

Basketball Revenues and Expenses

Average revenues and expenses for basketball, and implied profit or deficit amounts, are presented by respondent category in Table 4.6 for the period 1969 to 1981 using four-year intervals. Except for Class A and D institutions, average basketball expenses ex-

ceeded average basketball revenues for each year shown in Table 4.6. For Class A and D institutions, the increase in average basketball revenues between 1969 and 1981 made a significant contribution to the increase in average basketball expenses during this period.

Actual operating profits and deficits for basketball are compared in Table 4.7 for fiscal years 1973, 1977 and 1981. The percentage of respondents reporting basketball deficits between 1973 and 1981 declined in Class A, Class B, Class D and Class E. This general trend corresponds with the overall pattern of changes in average basketball revenues and expenses and indicates that a larger number of respondents experienced revenue growth that recovered the annual increases in basketball expenses. This trend was most significant for the Class A and Class D groups, in which the percentage of respondents reporting basketball deficits declined from 64 percent to 50 percent for Class A and from 82 percent to 60 percent for Class D.

The largest operating profits and deficits in basketball during 1981 are shown in the schedule on page 46, with dollar amounts in thousands.

TABLE 4.7
OPERATING PROFITS AND DEFICITS IN BASKETBALL
Fiscal Years 1973-1981
(Dollar Amounts in Thousands)

Average Results for Basketball by Respondent Category	Revenues Exceed Expenses		Expenses Exceed Revenues		Percent Reporting Deficits
	Number of Respondents	Average Profit	Number of Respondents	Average Deficit	
Class A Institutions					
Fiscal year 1981	45	\$320	45	\$ 80	50%
Fiscal year 1977	37	173	44	85	54
Fiscal year 1973	28	91	50	70	64
Class B Institutions					
Fiscal year 1981	6	\$ 12	34	\$ 38	85%
Fiscal year 1977	8	35	38	40	83
Fiscal year 1973	5	19	39	31	89
Class C Institutions					
Fiscal year 1981	3	\$ 2	58	\$ 32	95%
Fiscal year 1977	5	3	44	16	90
Fiscal year 1973	3	8	42	16	93
Class D Institutions					
Fiscal year 1981	8	\$214	12	\$146	60%
Fiscal year 1977	4	120	15	78	79
Fiscal year 1973	3	54	14	66	82
Class E Institutions					
Fiscal year 1981	2	\$ 18	26	\$ 60	93%
Fiscal year 1977	0	0	21	37	100
Fiscal year 1973	0	0	19	30	100
Class F Institutions					
Fiscal year 1981	0	0	15	\$ 18	100%
Fiscal year 1977	0	0	8	20	100
Fiscal year 1973	0	0	6	10	100

Respondent Category	Percentage of Total Revenues and Expenses Related to Basketball				Resource Allocation Index	
	Revenues		Expenses		1977	1981
	1977	1981	1977	1981		
Class A	12%	13%	11%	10%	1.09	1.30
Class B	15	12	15	15	1.00	.80
Class C	34	41	14	18	2.43	2.28
Class D	66	59	43	43	1.53	1.37
Class E	29	19	30	32	.97	.59
Class F	10	5	22	15	.45	.33

The relative profitability of basketball for many Class A respondents is indicated by the average 1981

profit of \$320,000, which exceeds the \$80,000 average deficit and exceeds the largest reported deficit of \$250,000. At least 50 percent of each class reported deficits between 1969 and 1981.

Basketball Results by Respondent Category	Largest Amounts Reported (1981)	
	Profit	Deficit
Class A	\$950	\$250
Class B	50	150
Class C	35	325
Class D	750	225
Class E	30	175
Class F	none	75

As a summary of the revenue and expense relationships for intercollegiate basketball, the tabulation above compares the percentage of total revenues provided by basketball with the percentage of total expenses related to basketball in 1977 and 1981. The resource allocation index shown above measures the proportionate relationship between share of total

TABLE 4.8
TOTAL REVENUES AND EXPENSES OF WOMEN'S ATHLETIC PROGRAMS
Fiscal Years 1978-1981
(Dollar Amounts in Thousands)

Average Financial Results by Respondent Category	1978	1979	1980	1981
Class A Institutions				
Average total revenues (a)	\$ 70	\$ 93	\$109	\$124
Average total expenses	161	244	339	392
Expenses paid by men's program	40%	44%	46%	44%
Class B Institutions				
Average total revenues	\$ 25	\$ 24	\$ 17	\$ 19
Average total expenses	62	68	89	101
Expenses paid by men's program	26%	24%	21%	32%
Class C Institutions				
Average total revenues	\$ 10	\$ 8	\$ 8	\$ 7
Average total expenses	28	33	40	48
Expenses paid by men's program	15%	12%	13%	16%
Class D Institutions				
Average total revenues	\$ 8	\$ 13	\$ 15	\$ 44
Average total expenses	95	151	167	188
Expenses paid by men's program	7%	18%	19%	19%
Class E Institutions				
Average total revenues	\$ 10	\$ 16	\$ 25	\$ 27
Average total expenses	36	45	56	72
Expenses paid by men's program	1%	10%	9%	12%
Class F Institutions				
Average total revenues	\$ 17	\$ 19	\$ 17	\$ 15
Average total expenses	26	31	36	37
Expenses paid by men's program	0%	0%	0%	2%

(a) Revenues exclude any direct or indirect support provided by the men's athletic program.

revenues provided by basketball and share of total expenses related to basketball. For example, the 1981 resource allocation index for Class D is 1.37, which is the 59 percent share of revenues divided by the 43 percent share of expenses. A ratio of 1.0 or greater indicates that basketball provided a greater percentage of total revenues than it required as a percentage of total expenses. An index of less than 1.0 indicates that basketball utilized a disproportionate share of total funds. The resource allocation ratio of all respondent groups except Class A declined between 1977 and 1981.

Women's Athletic Programs

To maintain comparability with prior year financial trends, institutions were directed to report information concerning women's intercollegiate sports separately from the revenues, expenses and other data that have been analyzed in this study. Table 4.8 presents the average total revenues and expenses of

women's athletic programs for the period 1978-81. Institutions were directed to report information on women's sports according to these definitions:

Revenues—revenues derived from the women's athletic program excluding any direct or indirect financial support provided by the men's athletic program.

Expenses—operating expenses directly related to the women's athletic program, including the cost of all goods and services directly related to the program without regard to the source of funds used to pay such expenses. Debt-service cost and capital expenditures were to be excluded.

Except for the Class A and D institutions, there was no significant change in average total revenues between 1978 and 1981. For all respondent groups, average total expenses increased materially: 143 percent for Class A; 63 percent for B; 71 percent for

TABLE 4.9
FREQUENCY DISTRIBUTIONS FOR TOTAL EXPENSES
OF WOMEN'S ATHLETIC PROGRAMS

Fiscal Year 1981
(Dollar Amounts in Thousands)

Class A Group			Class B Group			Class C Group		
More Than	Less Than	Number	More Than	Less Than	Number	More Than	Less Than	Number
\$ 0	\$ 100	8	\$ 0	\$ 20	3	\$ 0	\$ 10	2
100	200	14	20	40	5	10	20	12
200	300	17	40	60	5	20	30	10
300	400	16(M)	60	80	3	30	40	8
400	500	9	80	100	6	40	50	6(M)
500	600	6	100	120	2(M)	50	60	5
600	700	9	120	140	2	60	70	3
over	700	11	over	140	9	over	70	11
		90			35			57
Class D Group			Class E Group			Class F Group		
More Than	Less Than	Number	More Than	Less Than	Number	More Than	Less Than	Number
\$ 0	\$ 40	2	\$ 0	\$ 20	5	\$ 0	\$ 10	5
40	80	2	20	40	9	10	20	9
80	120	4	40	60	3	20	30	4
120	160	2	60	80	3(M)	30	40	1(M)
160	200	2(M)	80	100	1	40	50	3
200	240	1	100	120	0	50	60	0
240	280	2	120	140	2	60	70	1
over	280	3	over	140	4	over	70	4
		18			27			27

(M) Indicates expense interval corresponding with average total expenses for 1981.

C; 98 percent for D; 100 percent for E, and 42 percent for F. Table 4.8 also indicates the percentage of total operating expenses financed or otherwise paid by the men's athletic program. Between 1978 and 1981, the percentage of total expenses paid by the men's program increased for all respondent groups.

Frequency distributions showing the range of total operating expenses in 1981 are presented in Table 4.9. The largest amounts of total operating expenses reported in 1981 were: \$940,000 for Class A; \$320,000 for Class B; \$200,000 for Class C; \$640,000 for Class D; \$260,000 for Class E, and \$150,000 for Class F. Program activity data and financial results for women's basketball are summarized in Table 4.10. Between 1973 and 1981, all respondent groups showed increases in the median number of sports offered and number of participating athletes. In fiscal year 1981, the percentage of total expenses related to basketball ranged from 17 percent for Class A to 32 percent for Classes D and E.

The following tabulation indicates the sources of funds used to finance total operating expenses of women's athletic programs in 1981.

Women's Athletic Program	1981 Expenses Financed By			Total Funds
	Earned Revenues	Men's Program	Other Sources	
Class A	25%	44%	31%	100%
Class B	13	32	55	100
Class C	2	16	82	100
Class D	5	19	76	100
Class E	20	12	68	100
Class F	13	2	85	100

The percentages showing sources of financial support are based on aggregate data reported by all respondents in a given class. The percentage for "Other Sources" was determined as the residual

amount necessary to equal 100 percent funding of total expenses for 1981. In comparison with fiscal year 1977, the percentage of total expenses financed by "Other Sources" decreased for every respondent category. In all respondent groups, earned revenues and financial support from the men's program increased between 1977 and 1981.

Factors Explaining Expense Trends

An objective of this report is to identify factors, conditions or developments that tend to explain the reasons underlying basic trends in revenues and expenses. The impact of inflation on revenue and expense trends and the cause of increased total grants-in-aid expenses were explained in Chapters II and III. The general causes of increases in total operating expenses include (1) uncontrollable inflationary effects; (2) expansion of the athletic program by adding more sports, adding more personnel and having more athletes participate, and (3) increases in the cost of equipment, travel and services that may have exceeded changes in the general price level.

Analysis of Significant Factors

Respondents were asked to evaluate the relevance of several potential factors as explanations or causes of increased operating expenses at their institutions. Specifically, they were to indicate each factor that was considered to be significantly responsible for increased annual operating expenses between 1977 and 1981. The following 11 factors were evaluated (Part I, Question No. 9):

- Increased squad size in one or more major sports.
- Program expansion into sports not previously offered.

TABLE 4.10
WOMEN'S BASKETBALL AND PROGRAM ACTIVITY DATA
Fiscal Years 1973-1981
(Dollar Amounts in Thousands)

Basketball Results and Other Program Activity Data	Class A	Class B	Class C	Class D	Class E	Class F
Women's Basketball—Fiscal Year 1981						
Average revenues	\$ 10	\$ 2	\$ 4	\$ 20	\$ 7	\$ 5
Average expenses	70	27	14	63	26	37
Percentage of total expenses	17%	25%	28%	32%	32%	30%
Number of Intercollegiate Sports (median)						
Fiscal year 1981	8	6	8	5	6	5
Fiscal year 1977	8	6	6	4	4	4
Fiscal year 1973	7	5	3	3	2	3
Number of Athletes (median)						
Fiscal year 1981	123	86	102	67	60	80
Fiscal year 1977	114	75	100	50	46	52
Fiscal year 1973	89	52	45	34	28	37

Causes of Increased Expenses	Rank Order of Factors By Respondent Group					
	A	B	C	D	E	F
a. Increased squad size.....	x	x	x	x	x	x
b. Addition of new sports.....	x	4	2	7	3	3
c. More staff personnel.....	5	x	x	5	5	x
d. More grants-in-aid.....	x	x	x	6	6	x
e. Higher cost of annual grant.....	1	2	4	3	2	1
f. Increased salaries of personnel.....	3	x	3	4	4	4
g. Increased air fares.....	2	x	x	3	x	x
h. Expanded plant facilities.....	x	x	x	8	x	x
i. More athletes in nonrevenue sports.....	4	x	5	7	4	x
j. Increased recruiting costs.....	2	3	x	1	5	x
k. Expansion of women's program.....	1	1	1	2	1	2

- c) Increased number of staff and coaching personnel.
- d) Increase in number of grants-in-aid awarded.
- e) Increase in annual cost of a full grant-in-aid.
- f) Increased base salaries for athletic department personnel.
- g) Increased commercial air fares for team travel.
- h) Expansion of plant facilities used in athletic program.
- i) Increased participation in nonrevenue-producing sports.
- j) Increased recruiting costs.
- k) Expansion of athletic program for women.

The tabulation at the top of this page indicates the rank-order sequence of those factors that were identified by 50 percent or more of the respondents in each class. Rank order was determined by the specific factors that were identified by the largest percentage of responding institutions. Thus, if item (e) was indicated by 100 percent of Class D respondents, then item (e) would be ranked first by a (1) in the Class D column. Equal percentage response rates are shown by equal rank numbers. If an item was indicated by less than 50 percent of the respondents, it is noted by (x) in the rank column.

The tabulation shows that less than 50 percent of Class A respondents attributed any significance to

factors (a), (b), (d) and (h). Of the factors indicated by more than 50 percent of the Class A respondents, item (e) was designated most often, followed by others as shown by sequence Nos. 2, 3, 4 and 5.

By constructing a rank-value index for each of the 11 causal factors, it is possible to generalize about the combined frequency and rank order of the most important causes of increased annual operating expenses. All respondents were included in the analysis, and the five most significant causes of increased operating expenses were considered to be:

1. Expansion of women's athletic program (item k)
2. Higher cost of annual grant-in-aid (item e)
3. Addition of new sports (item b)
4. Increased salaries of personnel (item f)
5. Increased recruiting costs (item j)

In addition to evaluating specific factors that caused increased operating expenses, respondents also selected one statement that best described their opinion regarding the effect of increased expenses for athletic programs (*Part I, Question No. 10*). The following response summary indicates that most respondents considered the problem of increasing expenses to be serious in nature.

Expense Analysis Summary

As a summary of the many cause-and-effect relationships that contributed to increased operating

Opinion Concerning Effect of Increased Expenses	Percentage of Respondents Expressing Opinion					
	A	B	C	D	E	F
a. Serious, and methods are needed to control expenses	94%	81%	49%	81%	74%	47%
b. Not of major concern because revenues also have increased	3	0	4	0	0	8
c. Not serious because revenues are not intended to cover all operating expenses	3	12	25	9	13	13
d. Not serious and is explained by general inflationary trends alone	2	7	25	9	13	32

expenses between 1978 and 1981, it is possible to divide an increase in operating expenses into three categories:

1. Expense increase attributed to more athletes, more activity and general program expansion;
2. Expense increase attributed to inflationary effects and uncontrollable price increases related to maintaining existing programs;
3. Expense increase attributed to more goods and services per athlete, general quality improvements and effects of price changes that exceed general inflationary trends.

This process of analyzing expense increases over a period of time basically assigns the change in expenses to an activity or expansion factor (1) and price factors (2) and (3). For purposes of measuring program activity, the number of participating athletes is used as a quantitative indicator of program expansion. Because of the significance of general price-level trends, inflationary effects are identified separately.

To illustrate the form of analysis employed, the increase in average total expenses of Class A respondents is explained. Information used in the analysis is shown in the summary at the bottom of this page.

The increase in average total expenses of \$1,005,000 is divided into three categories as follows:

1. Effect of more athletes:			
Increase in number of athletes	6		
Expenses per athlete in 1978	x \$6,641	\$40,000	
2. Effects of Inflation:			
Average expenses in 1978	\$2,238,000		
Expected normal increase	x .27	604,000	
3. Other price changes:			
Increase in expense per athlete	\$2,814		
Number of athletes in 1981	x 343		
Effect of higher per capita expense	\$965,000		
Less: effects of inflation per above	-604,000		
Inflation adjusted price effects		361,000	
Increase in Average Total Expenses		\$1,005,000	

The measurement techniques demonstrated for Class A produce effects that explain the increase in average total expenses between 1978 and 1981:

	Amount	Percentage of Total Change
1. Effect of more athletes, more activity and general program expansion	\$ 40,000	4%
2. Effect of inflation and uncontrollable price increases related to maintaining existing programs	604,000	60
3. Effect of more goods and services per athlete, general quality improvements and effects of price changes that exceed general inflationary trends	361,000	36
Increase in average total expenses	\$1,005,000	100%

The change in average total expenses between 1978 and 1981 for each respondent group is analyzed in Table 4.11. Using the same procedures applied in the Class A illustration, the increase in average total expenses of each respondent class was divided into three categories: program expansion, effect of inflation and price changes exceeding inflationary trends. During the period 1978-1981, the general price level as measured by the average Gross National Product price index increased by 27 percent. In evaluating the change in average total expenses between 1978 and 1981, a normal increase in operating expenses would be 27 percent of the 1978 amount; this increase would be necessary simply to maintain the existing athletic program at the 1978 level of activity. As shown in Table 4.11, the effect of inflation was responsible for a substantial portion of the increase in total expenses for all respondents, ranging from 50 percent for Class D to 84 percent for Class C. The effect of price changes in excess of inflationary trends was significant for all respondents except Class F. The effect of program expansion was a significant factor only for Classes E and F.

As a review of revenue and expense relationships, a General Financial Summary for each respondent group is included in Tables 4.12 through Table 4.17. Significant financial trends, revenue-expense relationships and program activity measures are sum-

Class A Respondents	Fiscal Years		Increase
	1978	1981	
Average total expenses	\$2,238,000	\$3,243,000	\$1,005,000
Average number of athletes	337	343	6
Operating expenses per athlete	\$6,641	\$9,455	\$2,814
Average GNP price index	100%	127%	27%

marized in one exhibit for each respondent category. The General Financial Summary includes an evaluation of factors that were significantly responsible for increases in total operating expenses between 1978 and 1981. The qualitative evaluation is based on replies to Questionnaire Part I, Item No. 9. The

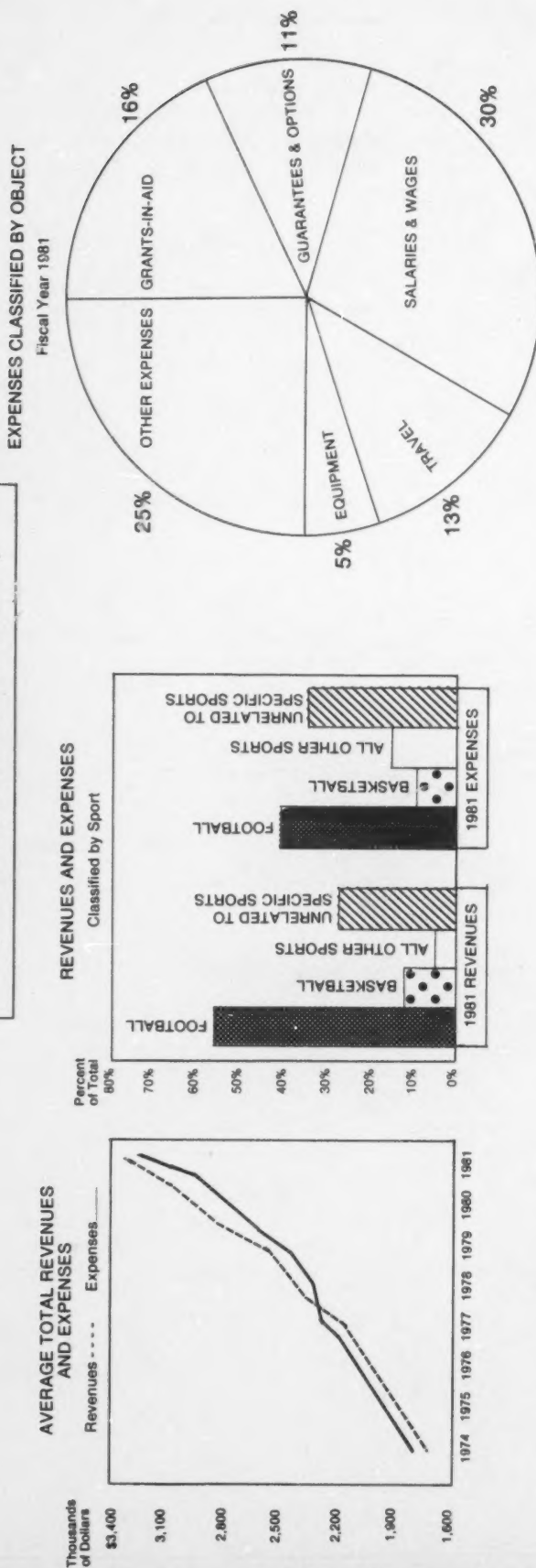
financial or quantitative evaluation was derived from information in Table 4.11. For each respondent category, there is general agreement between the judgment-related explanations and the quantitative analysis of factors that contributed to increased operating expenses for athletic programs.

TABLE 4.11
ANALYSIS OF CHANGE IN AVERAGE TOTAL EXPENSES
Between Fiscal Years 1978 and 1981

Factors Explaining Expense Increase	Class A	Class B	Class C	Class D	Class E	Class F
More athletes, more activity, and general program expansion						
Dollar amount	\$ 40,000	\$ 2,000	\$ -9,000*	\$ 14,000	\$ 14,000	\$ 7,000
Percent of total increase	4%	2%	-15%	6%	20%	18%
Inflationary effects and uncontrollable price increases related to maintaining existing programs						
Dollar amount	\$ 604,000	\$ 77,000	\$ 51,000	\$ 111,000	\$ 44,000	\$ 28,000
Percent of total increase	60%	73%	84%	50%	64%	74%
More goods and services per athlete, quality improvements, and effects of price factors that exceed general inflationary effects						
Dollar amount	\$ 361,000	\$ 26,000	\$ 19,000	\$ 96,000	\$ 11,000	\$ 3,000
Percent of total increase	36%	25%	31%	44%	16%	8%
Increase in average total expenses (100%)	\$1,005,000	\$105,000	\$ 61,000	\$221,000	\$ 69,000	\$ 38,000
Reconciliation of Expense Increase:						
Average expenses in 1981 (000)	\$ 3,243	\$ 392	\$ 249	\$ 631	\$ 232	\$ 144
Average expenses in 1978 (000)	2,238	287	188	410	163	106
Increase in expenses per above	\$ 1,005	\$ 105	\$ 61	\$ 221	\$ 69	\$ 38

*Expense reduction related to decrease in average number of athletes.

TABLE 4.12
GENERAL FINANCIAL SUMMARY
CLASS A RESPONDENTS
 (Based on 52% of Members in Class A)



ANALYSIS OF INCREASE IN AVERAGE TOTAL EXPENSES
 Between 1978-1981 (Change = 45% Increase)

Qualitative Evaluation (Based on Respondents' Opinions) Major Causal Factors	Financial Evaluation (Based on Table 4.11) Cost-Volume Explanation
1) Expansion of Women's Program	Effect of More Activity and General Program Expansion
2) Higher Cost of Annual Grant-In-Aid	Effect of Inflation and Other
3) Increased Air Fares	Price Increases
4) Increased Recruiting Costs	Total Expense Increase
Summary Limited to Four Most Frequently Ranked Replies	96 100%

INSTITUTIONS REPORTING DEFICITS

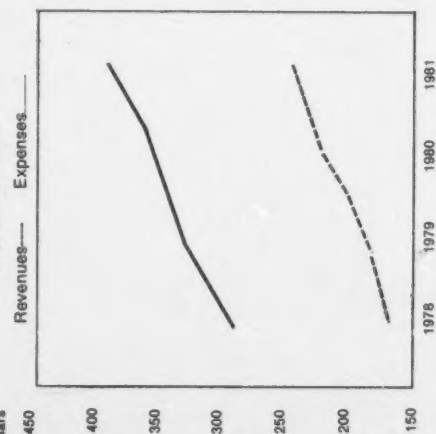
Financial Area	1981	1977
Total Program	40%	37%
Football	39	47
Basketball	50	54

**ACTIVITY AND
 ORGANIZATION MEASURES**

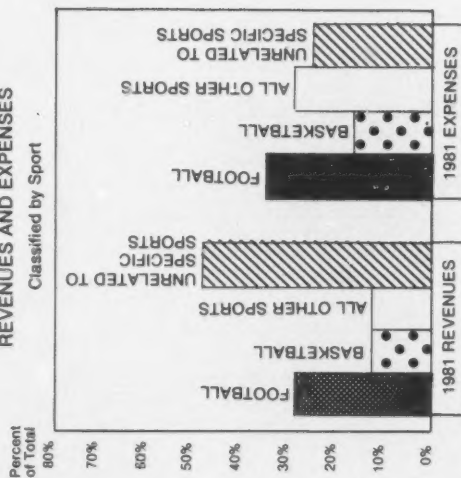
Average Number of	1981	1977
Intercollegiate Sports	12	10
Participating Athletes	343	337
Coaching Personnel	19	18
Other Full-Time Personnel	27	22

TABLE 4.13
GENERAL FINANCIAL SUMMARY
CLASS B RESPONDENTS
(Based on 36% of Members in Class B)

Thousands of Dollars



REVENUES AND EXPENSES
Classified by Sport



EXPENSES CLASSIFIED BY OBJECT
Fiscal Year 1981



ANALYSIS OF INCREASE IN AVERAGE TOTAL EXPENSES

Between 1978-1981 (Change = 37% Increase)

Financial Area	1981	1977
Total Program	72%	69%
Football	85	92
Basketball	85	83

ACTIVITY AND
ORGANIZATION MEASURES

Average Number of	1981	1977
Intercollegiate Sports	10	10
Participating Athletes	305	303
Coaching Personnel	10	12
Other Full-Time Personnel	5	6

Qualitative Evaluation
(Based on Respondents' Opinions)
Major Causal Factors

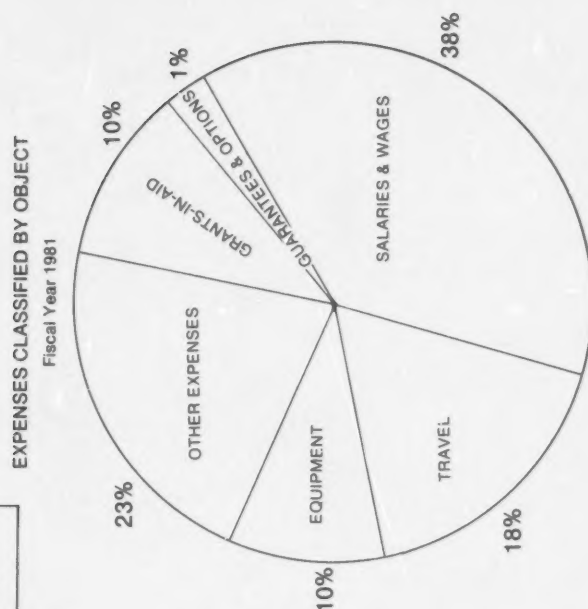
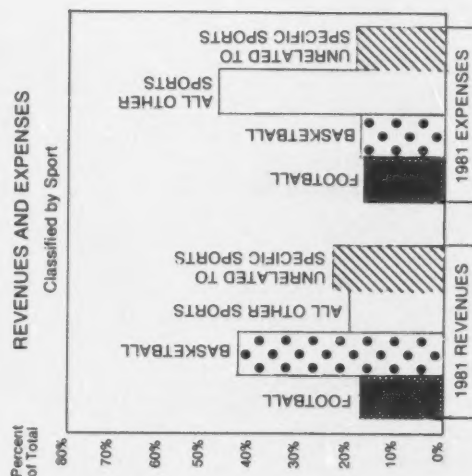
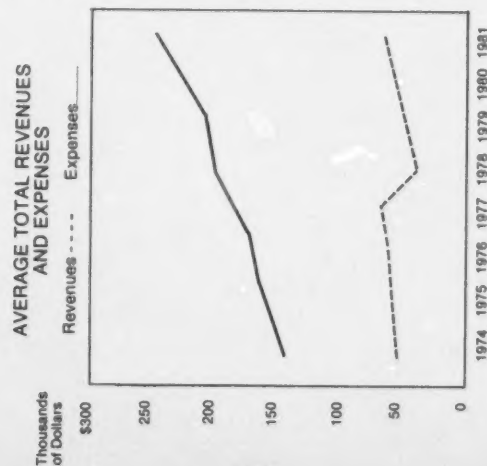
- 1) Expansion of Women's Program
- 2) Higher Cost of Annual Grant-In-Aid
- 3) Increased Recruiting Costs
- 4) Addition of New Sports

Summary Limited to Four Most
Frequently Ranked Replies

Financial Evaluation
(Based on Table 4.11)
Cost-Volume Explanation

Effect of More Activity and General Program Expansion	2%
Effect of Inflation and Other Price Increases	98
Total Expense Increase	100%

TABLE 4.14
GENERAL FINANCIAL SUMMARY
CLASS C RESPONDENTS
 (Based on 43% of Members in Class C)



ACTIVITY AND ORGANIZATION MEASURES

Average Number of	1981	1977
Intercollegiate Sports	11	11
Participating Athletes	294	308
Coaching Personnel	7	7
Other Full-Time Personnel	4	4

INSTITUTIONS REPORTING DEFICITS

Financial Area	1981	1977
Total Program	94%	92%
Football	97	96
Basketball	95	90

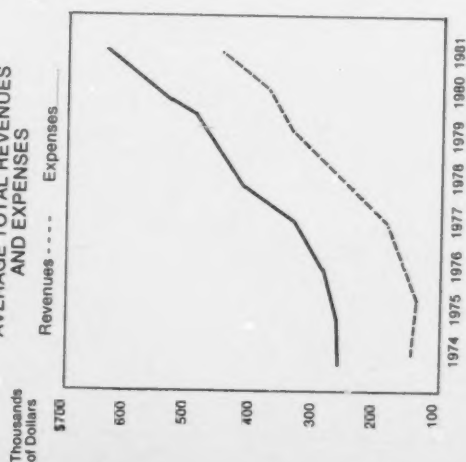
ANALYSIS OF INCREASE IN AVERAGE TOTAL EXPENSES

Between 1978-1981 (Change = 32% Increase)

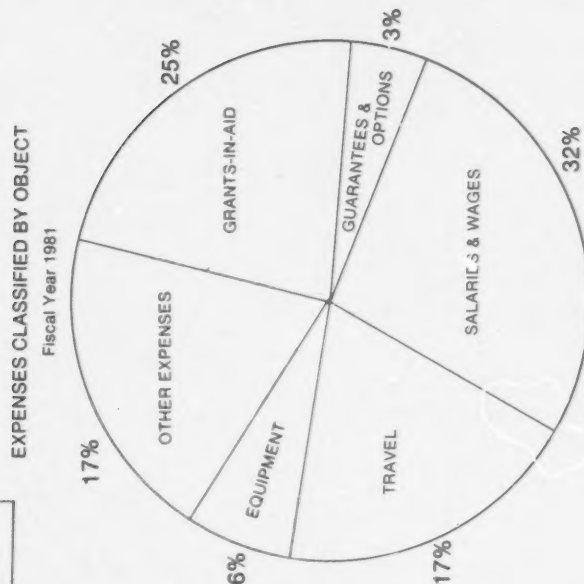
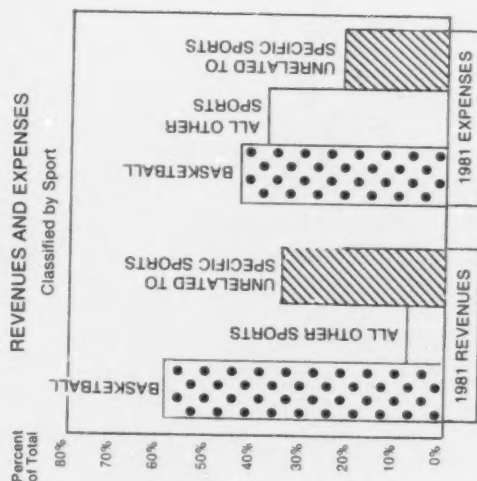
Qualitative Evaluation (Based on Respondents' Opinions) Major Causal Factors	Financial Evaluation (Based on Table 4.9) Cost-Volume Explanation
1) Expansion of Women's Program	Effect of More Activity and General Program Expansion
2) Addition of New Sports	Effect of Inflation and Other Price Increases
3) Increased Staff Salaries	115
4) Higher Cost of Annual Grant-In-Aid	100%
Summary Limited to Four Most Frequently Ranked Replies	Total Expense Increase

TABLE 4.15
GENERAL FINANCIAL SUMMARY
CLASS D RESPONDENTS
(Based on 31% of Members in Class D)

**AVERAGE TOTAL REVENUES
AND EXPENSES**



REVENUES AND EXPENSES
Classified by Sport



**ACTIVITY AND
ORGANIZATION MEASURES**

Average Number of	1981	1977
Intercollegiate Sports	9	8
Participating Athletes	150	145
Coaching Personnel	8	7
Other Full-Time Personnel	7	5

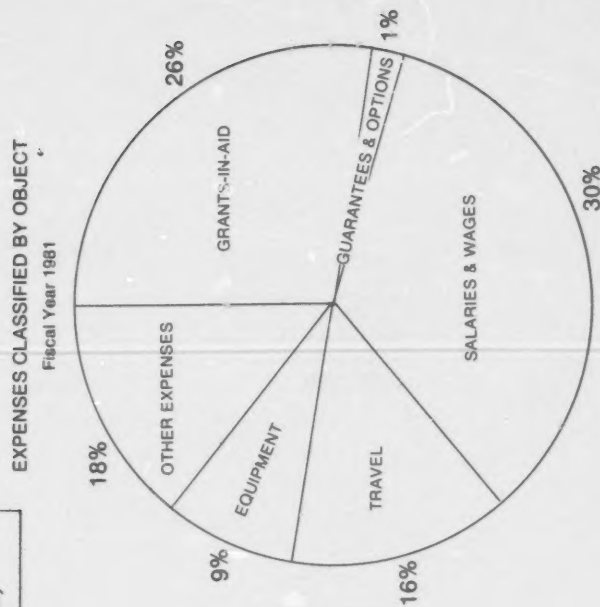
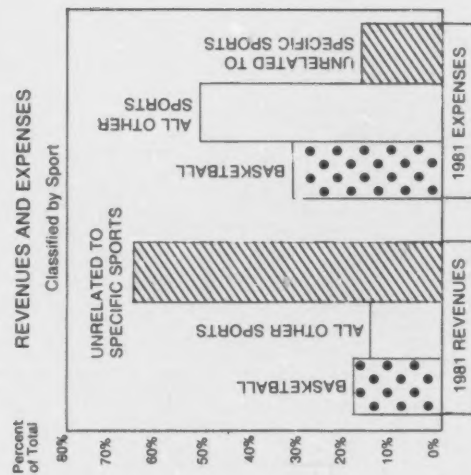
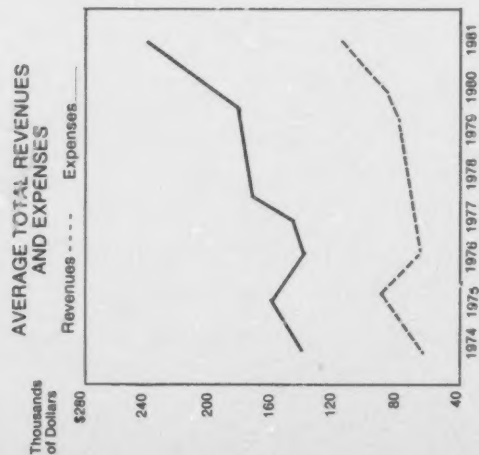
INSTITUTIONS REPORTING DEFICITS

Financial Area	1981	1977
Total Program	70%	75%
Football	NA	NA
Basketball	60	79

ANALYSIS OF INCREASE IN AVERAGE TOTAL EXPENSES
Between 1978-1981 (Change = 54% Increase)

Qualitative Evaluation (Based on Respondents' Opinions) Major Causal Factors	Financial Evaluation (Based on Table 4.11) Cost-Volume Explanation
1) Increased Recruiting Costs	Effect of More Activity and
2) Expansion of Women's Program	General Program Expansion
3) Higher Cost of Annual Grant-In-Aid	Effect of Inflation and Other
4) Increased Air Fares	Price Increases
Summary Limited to Four Most Frequently Ranked Replies	Total Expense Increase
	94
	100%

TABLE 4.16
GENERAL FINANCIAL SUMMARY
CLASS E RESPONDENTS
 (Based on 43% of Members in Class E)



ACTIVITY AND ORGANIZATION MEASURES

Average Number of	1981	1977
Intercollegiate Sports	8	8
Participating Athletes	147	135
Coaching Personnel	5	4
Other Full-Time Personnel	4	3

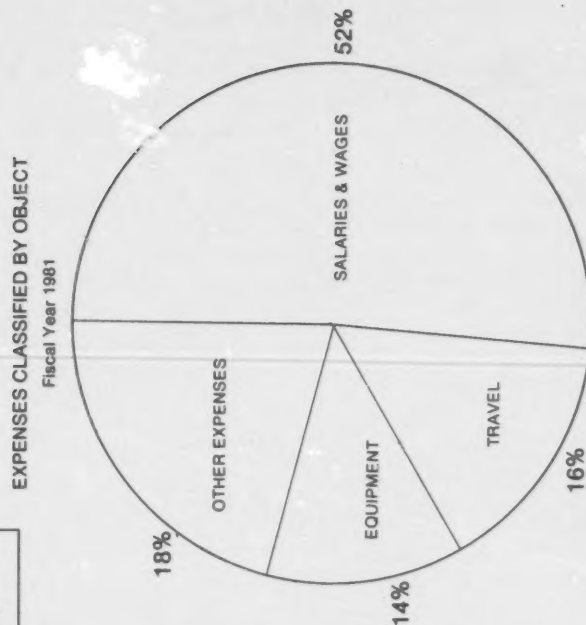
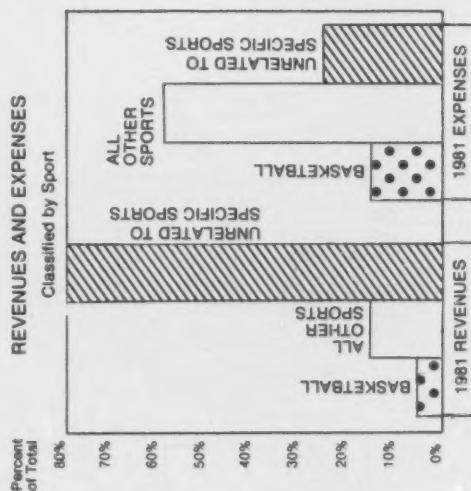
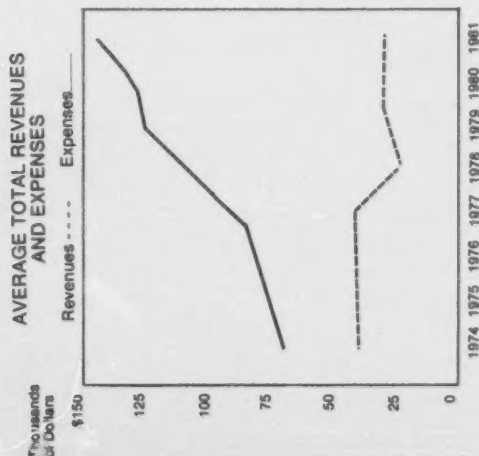
INSTITUTIONS REPORTING DEFICITS

Financial Area	1981	1977
Total Program	69%	79%
Football	NA	NA
Basketball	93	100

ANALYSIS OF INCREASE IN AVERAGE TOTAL EXPENSES
 Between 1978-1981 (Change = 42% Increase)

Qualitative Evaluation (Based on Respondents' Opinions) Major Causal Factors	Financial Evaluation (Based on Table 4.11) Cost-Volume Explanation
1) Expansion of Women's Program	Effect of More Activity and General Program Expansion
2) Higher Cost of Annual Grant-In-Aid	Effect of Inflation and Other Price Increases
3) Addition of New Sports	80
4) Increased Staff Salaries	100%
Summary Limited to Four Most Frequently Ranked Replies	Total Expense Increase

TABLE 4.17
GENERAL FINANCIAL SUMMARY
CLASS F RESPONDENTS
(Based on 32% of Members in Class F)



ACTIVITY AND ORGANIZATION MEASURES

Average Number of	1981	1977
Intercollegiate Sports	9	8
Participating Athletes	169	159
Coaching Personnel	5	6
Other Full-Time Personnel	5	4

INSTITUTIONS REPORTING DEFICITS

Financial Area	1981	1977
Total Program	71%	71%
Football	NA	NA
Basketball	100	100

ANALYSIS OF INCREASE IN AVERAGE TOTAL EXPENSES
Between 1978-1981 (Change = 36% Increase)

Qualitative Evaluation (Based on Respondents' Opinions) Major Causal Factors	Financial Evaluation (Based on Table 4.11) Cost-Volume Explanation
1) Higher Cost of Annual Grant-In-Aid	Effect of More Activity and General Program Expansion
2) Expansion of Women's Program	Effect of Inflation and Other Price Increases
3) Addition of New Sports	82
4) Increased Staff Salaries	100%
Summary Limited to Four Most Frequently Ranked Replies	Total Expense Increase

Sources and Uses of Funds

As a concluding presentation, Table 4.18 summarizes the average sources and uses of funds for athletic programs during fiscal year 1981. Funds (meaning cash) are used to pay operating expenses, to meet debt-service requirements and to acquire capital facilities. The analysis in Table 4.18 deducts from the women's program expenses an estimated amount paid or financed by the men's program. This adjustment is required to eliminate the duplication of expenses that would result if these payments also were included as operating expenses in the men's athletic program. This adjustment assumes that the women's program expenses include the cost of all goods and services used, regardless of the source of

funds used to pay those expenses.

Revenues of the men's and women's programs are sources of funds. These revenues include earned amounts such as gate receipts and unearned funds such as gifts. The total amount of funds used must equal the sources of those funds. Thus, Table 4.18 shows an item described as "Other Sources of Funds", which is the amount by which average uses of funds exceed the average revenues included in this study. Other sources of funds are an approximate measure of the financial assistance required from the institution to balance the total budget for an athletic program. For all respondent groups, the average uses of funds exceeded average revenues from men's and women's programs combined.

TABLE 4.18
AVERAGE SOURCES AND USES OF FUNDS FOR AN ATHLETIC PROGRAM
Based on Averages for Fiscal Year 1981
(Dollar Amounts in Thousands)

Average Annual Amount of Funds Used by an Athletic Program:	Class A	Class B	Class C	Class D	Class E	Class F
Operating expenses for women's programs	\$ 392	\$ 101	\$ 48	\$ 188	\$ 72	\$ 37
Less: Amount paid by men's program	(172)	(32)	(8)	(36)	(9)	(1)
Net expenses for women's program	\$ 220	\$ 69	\$ 40	\$ 152	\$ 63	\$ 36
Operating expenses for men's program	\$3,243	\$ 392	\$ 249	\$ 631	\$ 232	\$ 144
(a) Capital expenditures and debt-service cost	159	10	11	13	31	1
Total Amount of Funds Used	<u>\$3,622</u>	<u>\$ 471</u>	<u>\$ 300</u>	<u>\$ 796</u>	<u>\$ 326</u>	<u>\$ 181</u>
Sources of Average Annual Funds Used by an Athletic Program:						
Revenues from men's sports	\$3,391	\$ 248	\$ 56	\$ 476	\$ 102	\$ 30
Revenues from women's sports	124	19	7	44	27	15
(b) Other sources of funds	107	204	237	276	197	136
Total Sources of Funds Used	<u>\$3,622</u>	<u>\$ 471</u>	<u>\$ 300</u>	<u>\$ 796</u>	<u>\$ 326</u>	<u>\$ 181</u>

(a) Adjusted to a per-institution basis to compensate for institutions not reporting this expenditure in 1981.

(b) Other sources is a residual amount necessary to balance total sources, which must equal total uses of funds.

APPENDIX A

QUESTIONNAIRE FOR ANALYSIS OF REVENUES AND EXPENSES OF INTERCOLLEGIATE ATHLETIC PROGRAMS

The questionnaire for this study, which is sponsored by the National Collegiate Athletic Association, consists of four parts:

Part I — *General Information*

Part II — *Organization and Activity Data*

Part III — *Revenue and Expense Information (Men's Program)*

Part IV — *Information Concerning Women's Intercollegiate Sports*

All questions and schedules in this questionnaire, with the exception of Part IV, refer to the men's intercollegiate athletic program. Part IV is the only section involving women's intercollegiate athletic programs.

I. GENERAL INFORMATION

The following questions require a mark (x) to indicate the most suitable response. When more than one response to a question is possible, this condition is clearly indicated. If, for some reason, a question is *not applicable* to your institution, record "NA" in the left hand margin beside the particular question. All questions should be considered in relation to *intercollegiate athletics* and not physical education, club sports or intramural sports programs. Answer questions based upon your knowledge of intercollegiate athletics at your institution. Do not enter the name of your institution on any of the following pages.

1. Is your institution primarily (more than 50%):
☐ government supported ☐ privately financed
2. Do intercollegiate athletics at your institution receive any financial support from a state or other governmental unit?
☐ Yes ☐ No
3. At your institution, do intercollegiate athletics (mark (x) one or more):
 - ☐ a. Obtain financial assistance from the general operating funds of the institution in deficit years.
 - ☐ b. Rely upon general operating funds of the institution to absorb certain expenses such as travel and salaries.
 - ☐ c. Receive financial support from the institution to sustain nonrevenue producing sports.
 - ☐ d. Operate on a self-supporting basis within the limits provided by revenues from athletics.

4. Mark (x) the statement below that *best* describes the fiscal objectives of intercollegiate athletics at your institution:
- ☐ a. To earn a profit in order to expand the athletic program.
 - ☐ b. To earn a profit in order to support nonathletic activities sponsored by the institution.
 - ☐ c. To earn sufficient revenues to cover the expenses of athletic programs.
 - ☐ d. To earn as much revenue as possible with any deficit in athletics covered by general operating funds of the institution.
5. For your major sports, are admission rights, by ticket or other means, assessed to students on a mandatory basis through fees collected during student registration? ☐ Yes ☐ No
6. For your major sports, are season tickets or other rights to admission sold to students on an optional basis only? ☐ Yes ☐ No
7. Is some portion of a general activity fee paid by students allotted to the athletic department without entitling students to admission to athletic events? ☐ Yes ☐ No
8. Does your institution award grants-in-aid to student athletes?
- (The term "grant-in-aid" refers to any institutionally administered financial aid awarded to a student who has been recruited on the basis of athletic ability, or any athletically related financial aid provided a student-athlete regardless of recruitment.)
- ☐ Yes ☐ No
9. Mark (x) each of the following factors that you believe, since 1977, to be *significantly* responsible for increasing annual operating expenses of the athletic program at your institution:
- ☐ a. Increased squad size in one or more major sports.
 - ☐ b. Program expansion into sports not previously offered.
 - ☐ c. Increased number of staff and coaching personnel.
 - ☐ d. Increase in number of equivalent full grants-in-aid awarded.
 - ☐ e. Increase in annual cost of a full grant-in-aid.
 - ☐ f. Increased base salaries for athletic department personnel.
 - ☐ g. Increased commercial air fares for team travel.
 - ☐ h. Expansion of plant facilities used in athletic program.
 - ☐ i. Increased participation in nonrevenue producing sports.
 - ☐ j. Increased recruiting costs.
 - ☐ k. Expansion of athletic program for women.
10. Concerning the problem of rising costs of intercollegiate athletics, mark (x) the *one* statement that best describes the nature of this problem at your institution:
- ☐ a. The problem is serious and methods are needed to control major expenses and to eliminate unnecessary costs.

- ☐ b. The problem is not of major concern because revenues also have increased in the past few years.
- ☐ c. The problem is not of major concern because revenues derived from intercollegiate athletics are not intended to cover all operating expenses.
- ☐ d. The problem is not serious and is adequately explained by reference to general inflationary trends alone.

APPENDIX B

Response Summaries— Questionnaire for Analysis of Revenues and Expenses (Part I—General Information)

The following table summarizes replies to Question Nos. 1 through 10 in Questionnaire Part I—General Information (see Appendix A). Replies were tabulated by institutional category and for all respondents collectively. In the following tabulation, percentage factors are additive only within columns. For any particular question, the actual number of replies can be added both vertically and horizontally.

Classification of respondents as *not applicable* was necessary in certain cases. Respondents not awarding grants-in-aid were classified as not applicable for Question Nos. 9d and 9e. Respondents classified as not applicable and those not answering a question were eliminated before computing the percentage response rates for all questions. Thus, the percentage distribution of replies was computed on the basis that applicable respondents constituted 100 percent. For Question Nos. 3 and 9, multiple replies were acceptable; and the percentage distribution by respondent category adds to more than 100 percent for these two questions.

QUESTIONNAIRE PART I—GENERAL INFORMATION

Question Number	Answer	Total Response		Class A		Class B		Class C		Class D		Class E		Class F	
		N	%	N	%	N	%	N	%	N	%	N	%	N	%
1	Government	153	49	70	72	32	74	10	12	8	38	15	48	18	47
	Private	157	51	27	28	11	26	70	88	13	62	16	52	20	53
2	Yes	114	37	55	57	24	56	11	14	5	24	8	26	11	29
	No	196	63	42	43	19	44	69	86	16	76	23	74	27	71
3	Indicated (a)	161	52	37	38	24	56	56	70	15	71	15	48	14	37
	Indicated (b)	210	68	48	50	29	67	74	92	15	71	21	68	23	60
	Indicated (c)	179	58	48	50	20	46	60	75	14	67	20	64	17	45
	Indicated (d)	68	22	43	44	7	16	2	3	3	14	9	29	4	10
4	Indicated (a)	18	6	15	15	2	5	0	0	1	5	0	0	0	0
	Indicated (b)	2	1	1	1	1	2	0	0	0	0	0	0	0	0
	Indicated (c)	92	32	56	58	9	21	7	10	5	24	9	29	6	22
	Indicated (d)	178	61	25	26	31	72	64	90	15	71	22	71	21	78
5	Yes	136	45	54	57	25	58	25	32	11	52	11	36	10	30
	No	166	55	41	43	18	42	54	68	10	48	20	64	23	70
6	Yes	88	30	43	45	15	36	11	14	7	33	9	29	9	9
	No	210	70	52	55	27	64	65	86	14	67	22	71	30	91
7	Yes	50	16	21	22	11	26	7	9	4	19	2	7	5	14
	No	254	84	76	78	32	74	71	91	17	81	28	93	30	86
8	Yes	190	62	88	91	37	86	12	15	20	95	30	97	3	8
	No	119	38	9	9	6	14	67	85	1	5	1	3	35	92
9	Indicated (a)	91	29	22	23	14	33	39	49	3	14	4	13	9	24
	Indicated (b)	179	58	44	45	22	51	56	70	14	67	22	71	21	55
	Indicated (c)	153	49	50	52	12	28	38	47	16	76	19	61	18	47
	Indicated (d)	84	44	41	47	10	27	4	31	14	70	15	50	0	0
	Indicated (e)	164	86	82	93	28	76	7	54	18	90	27	90	2	67
	Indicated (f)	196	63	76	78	19	44	46	57	17	81	19	61	19	50
	Indicated (g)	152	49	85	88	17	39	18	22	19	90	10	32	3	8
	Indicated (h)	85	27	38	39	1	2	21	26	13	62	7	23	5	13
	Indicated (i)	158	51	57	59	21	49	40	50	14	67	19	61	7	18
	Indicated (j)	193	62	85	88	27	63	33	41	20	95	18	58	10	26
	Indicated (k)	264	85	90	93	37	86	66	82	19	91	30	97	22	58
10	Indicated (a)	223	72	91	94	35	81	39	49	17	81	23	71	18	47
	Indicated (b)	9	3	3	3	0	0	3	4	0	0	0	0	3	8
	Indicated (c)	39	13	3	3	5	12	20	25	2	9	4	13	5	13
	Indicated (d)	43	14	2	2	3	7	20	25	2	9	4	13	12	32